

# The NATIONAL UNDERWRITER

2nd Year No. 49

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December 6, 1958

## Combined Tax Approach Based On Menge Formula Is Top Contender

WASHINGTON—No official word has come from either the ways and means committee or its internal revenue subcommittee as to which of the various life company income tax proposals has the inside track but all of the numerous "leaks" thus far point in one direction: the combined investment income and total income approach proposed by the Treasury.

The understanding is that the so-called Menge formula would be used for the investment income part of the tax basis, rather than the 1950 basis with which the Treasury stunned the industry during the Nov. 17-20 hearings of the subcommittee. Later information indicates that the Treasury is not pushing so hard for using the 1950 basis for the investment income portion as it appeared during its presentation at the hearings and under questioning by Chairman Mills of the subcommittee and full committee.

Use of the 1950 formula would hit the companies with a total tax bill in

the neighborhood of \$600 million on their 1958 income. The Treasury has not said what it would be willing to settle for but an informed guess is that it would probably be in the \$425 to \$475 million range. These figures compare with \$292 million raised under the Mills stop-gap law on 1957 income. The 1942 law, which automatically comes into play if no law is enacted at the coming session, would cost the companies about \$500 million.

The Mills subcommittee is reported to have asked its technicians to draw up a proposal on the combined basis, presumably with the Menge formula as the basis for taxing the investment income portion. The Menge basis, developed by the industry's joint tax committee's subcommittee headed by Walter O. Menge, president of Lin-

coln National Life, would get away from industry averages in determining how much of its investment income a company could take credit for as being needed to meet its reserve and other policy contract liabilities.

### Basis Of Menge Formula

Instead, the formula involves making a computation of the amount of reserve interest credit which would be needed to maintain the reserves of a particular company revalued on the basis of the company's interest rate actually earned in the taxable year. When this amount has been determined, it is deducted from the total net investment income of the company.

This policy and other contract liability deduction recognizes the policyholders' interest in that portion of the net investment income of the company which is set aside in policy and other contract reserves. This principle (CONTINUED ON PAGE 22)

## Boston Still Tops In Ordinary Gains

Boston was still ahead of other large cities with a rate of increase in October ordinary sales of 15% for the month and 26% for the first 10 months. Percentage gains in ordinary sales in October and the first 10 months for other large cities, respectively, were Chicago 8 and 0, Cleveland 4 and 0, Detroit 8 and -6, Los Angeles 0 and 3, New York City 11 and 11, Philadelphia -4 and -3, and St. Louis -1 and 1.

## Treasury Reaffirms Earlier Guaranteed Renewable A&S Ruling

WASHINGTON—Internal Revenue Service has ruled that income from guaranteed renewable A&S policies under which the insurer reserves the right to change the premiums must be treated as income from non-life business and therefore cannot qualify for life insurance reserve tax treatment.

### Issue Joint Bulletin

American Life Convention and Life Insurance Assn. of America state in a joint bulletin that the action affirmed a ruling originally issued by IRS last year which declared that non-cancellable A&S coverage must involve a specified premium if income from such contracts is to be treated as life business for income tax purposes.

The two associations then requested IRS to withdraw its original ruling, mainly on the grounds that the reserves on guaranteed renewable policies with or without specified premiums are exactly the same as reserves for life insurance policies and should be taxed accordingly.

In reaffirming the original ruling, the director of the tax ruling division cited the regulations and congressional committee reports on the revenue act of 1942 which used the term "specific premium."

## Frank Blackford New Mich. Commissioner Succeeding Navarre

LANSING—Frank Blackford, executive secretary of the state employees retirement system, Tuesday was appointed Michigan insurance commissioner by Gov. Williams. He will take office Jan. 1 upon the retirement of Joseph A. Navarre, who resigned several weeks ago with a year to go on his second four-year term. Mr. Navarre was guest of honor at a farewell dinner given by the insurance industry Tuesday night.

### Was Williams' Assistant

Mr. Blackford, 39, served as administrative assistant to Gov. Williams and later as chairman of the state liquor control commission before going to the employees retirement system. He entered state government from the faculty of Michigan State University where he was an instructor in the political science department.

The appointment is subject to confirmation by the senate.



**ROYAL VISIT AT EQUITABLE**—James F. Oates Jr., president of Equitable Society, center, explains U. S. life insurance practices to Prince Bir-Bikram Shah-Deva of Nepal and Princess Shah during their recent visit to the home office. The prince, who is vitally concerned with the economic development of his Asian kingdom, inspected Equitable's IBM 705 electronic data processing system.

## Questionnaires Seek Data For Minimum Deposit Plan Parley

### N. Y. Department Still Bars Doors To All But Company Representatives

By ROBERT B. MITCHELL

NEW YORK—Companies invited to attend the New York department's Dec. 5 conference on minimum deposit plan abuses received from the department a 14-point questionnaire covering their practices in connection with such plans, if issued.

The questionnaire is quite searching. Its contents, printed below, are of particular interest not merely to those attending the conference but to the rest of the business as well, because the department has not receded from its decision to make the conference a confidential affair, keeping out the agents' organizations and the press. The department's theory is that the participants would talk more freely if the press and the agents' organizations were not present taking notes.

### Began After Press-Time

No reports on the conference are available for this issue, since the issue went to press before the conference opened. In view of the exclusive nature of the meeting, the questionnaire should serve a useful purpose to all the excluded groups as a basis for finding out what happened at the meeting.

Here are the questions on the department's quiz sheet:

"1. Are high [early] cash value policies being issued by your company in 1958? If this answer is in the affirmative, items 2-14 appearing hereafter should be answered.

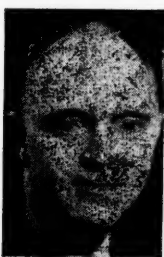
"2. In what essential features (name, if descriptive) do these plans differ from pre-existing plans, and when were they first issued? Is a specified minimum amount of insurance per policy required for these plans? If so, state the minimum amount.

"3. Do your application blanks contain this or a similar question: 'Is this insurance to replace existing insurance?' If yes, what proportion of issues in (4) below occurred because of replacement of existing policies ei-

(CONTINUED ON PAGE 24)

## Abell President Of Commonwealth Life; Boyd Is Chairman

William H. Abell, general counsel of Commonwealth Life, has been



William H. Abell

Morton Boyd

named president and chief executive officer of the company, succeeding Morton Boyd, who recently resigned that post and now becomes chairman.

General counsel of the company since 1939, Mr. Abell was elected a director in 1949, and last year he was appointed to the executive committee of the board. He is the son of the late Dr. Irvin Abell, noted Louisville surgeon and a former director of the company, and he is also director of Citizens Fidelity Bank & Trust Co. Mr. Boyd became president of Commonwealth Life in 1941, succeeding W. Batson, who retired. During that time, company assets and business in force increased more than six times, and capital funds more than 10 times. In 1936, he became a member of the investment advisory committee, and two years later he was a director and member of the finance committee. Before joining Commonwealth, he had been president of U. S. Trust Co. of Louisville.

## N.Y. ACTUARIES' PARTY

## Speak Out On Civic Matters, Sheperd Urges Actuaries

NEW YORK—Actuaries are qualified to speak out on matters of general importance like social security expansion and nationalized medicine and should do so, Pearce Sheperd, president of Society of Actuaries and vice-president and actuary of Prudential, said in his address at the joint dinner meeting of the senior and junior branches of the Actuaries Club of New York.

Other than Mr. Sheperd's talk, the evening was given over to humorous talks and skits, with Milton Goldberg, director of research of Equitable Society's agency department, as master of ceremonies. Participants included Valentine Howell, executive vice-president of Prudential; D. J. Lyons, vice-president Guardian Life; J. Henry Smith, underwriting vice-president Equitable Society; A. C. Webster, vice-president Mutual of New York, and a New York Life group that put on a skit.

George H. Davis, associate actuary of Life Insurance Assn. of America, is chairman of the club. Gerald K. Rugger, 2nd vice-president-insurance of Home Life of New York, was responsible for the program, as program chairman of the senior branch.

### Eiber Addresses Brooklyn Agents

Bernard M. Eiber, New York lawyer and partner in the Brooklyn agency of Mutual Trust Life, was the featured speaker at a meeting of the Brooklyn branch of New York City Life Underwriters Assn. Mr. Eiber discussed the last will and testament and the important part it plays in estate planning.

## Beneficial Standard Increases Shares, Buys British Pacific

A stock option plan calling for the creation of 200,000 additional shares of Beneficial Standard Life stock was approved at a special meeting in the home office last week.

Stockholders were told of the completion also of an escrow agreement under the terms of which Beneficial Standard has acquired the stock of British Pacific, an A&S insurer licensed in five Canadian provinces.

## Attorney General Defines Tex. Retaliatory Law

AUSTIN—With the aggregate effect of all taxes, fees and other charges as the measuring rod, the Texas retaliatory law is designed to place on an out-of-state insurer operating in this state a burden equal to that placed by the insurer's home state on similar Texas companies.

### Answers Commissioners Inquiry

This is the opinion of Attorney General Will Wilson, who issued his ruling in response to an inquiry from Commissioner William A. Harrison. It was the commissioners' view that an aggregate of such diverse items as taxes, licenses, fees, fines, penalties, deposit requirements, obligations, prohibitions and restrictions "is much like trying to find the aggregate of apples, oranges, bananas, potatoes and tomatoes."

However, Mr. Wilson declared that an "item by item comparison of the aggregate taxes with aggregate taxes, aggregate fees with aggregate fees, etc., does not total burdens." Mr. Wilson argued that differences in taxes between states might be offset by fees, etc., and that the grand total of these impositions is the proper basis.

## Met Splits Canada Sales Territory, Raises 3 Officials

NEW YORK—Continued growth of its Canadian business has caused Metropolitan Life to realign its field management facilities by dividing its Canadian territory into an eastern and western territory. Ottawa, where the Canadian head office is located, is the division point.

Freeman D. Smith has been promoted to 2nd vice-president and assistant general manager of the Canadian head office. J. Stanley Brown has been advanced to western superintendent of agencies and Henry Lambert to eastern superintendent.

Mr. Smith has been superintendent of agencies and assistant general manager at the Canadian head office since 1954. He started with Metropolitan in Moncton, New Brunswick. He became superintendent of agencies for Canada in 1930.

Mr. Brown and Mr. Lambert were assistant superintendents of agencies. Mr. Brown joined the company in Fort William, Ont., in 1934 and before becoming assistant superintendent in 1955 was district manager in Vancouver. Mr. Lambert started in Montreal in 1931 and since 1949 has been a district manager at Quebec and Montreal. He became an assistant superintendent in 1954. Both Mr. Brown and Mr. Lambert are CLUs.

Metropolitan's life insurance in force in Canada has increased from about \$2.8 billion at the end of 1952 to more than \$4½ billion at the end of 1957. The number of persons insured increased from 2.5 million to 3 million.

Flynn, Harrison & Cenroy, Chicago brokers, have moved to the Board of Trade building where the firm has larger offices.

## Mildred Stone To Write Biography Of Solomon S. Huebner

The life story of Dr. Solomon Huebner, president emeritus of American College and one of the best known personalities in the insurance field, will be the subject of a biography in preparation by Mildred Stone, staff assistant to the president of Mutual Benefit Life, long-time friend of Dr. and Mrs. Huebner and author of several books for the business.

Publication of the biography scheduled for the fall of 1960, time to make it available for the annual convention of National Assn. Life Underwriters that year.

The book, which is being prepared with Dr. Huebner's cooperation, will tell his personal story and will include the important life insurance movements which he pioneered and led for more than four decades.

The author, who has known Dr. Huebner since 1926, is gathering material for the biography from Dr. and Mrs. Huebner, their family, friends and the business associated with the CLU program, former and present members of the Wharton school and from Dr. Huebner's papers and records.

Miss Stone for 25 years has been in charge of Mutual Benefit's promotion of the CLU program and cooperation with American College. Her three other books on life insurance subjects are "A Short History of Life Insurance," "Better Life Insurance Letters" and "Since 1845," a history of Mutual Benefit. She has been on the editorial board of CLU Journal and Query.

## J. Byron Saunders To Go On Trial Jan. 19

AUSTIN—Trial of J. Byron Saunders, former chairman of the old Texas board of insurance commissioners, on one of two perjury indictments was set last week for Jan. 19 in district court in Austin, but there were indications that a delay might be asked.

The first indictment charged Mr. Saunders committed perjury testifying before a legislative investigating committee that was probing developments linked with the collapse of the labor-backed ICT Ins. Co. of Dallas. It charged that Mr. Saunders gave false testimony about an oral deed for which, he said, he paid Jack Cage, former ICT president, \$7,000.

Also awaiting trial dates are another indictment against Mr. Saunders charging perjury before a Travis county grand jury; two against Mr. Saunders for bribery; a perjury indictment against Garland A. Smith, also former commission chairman, and an indictment for perjury against W. Rychlik of Austin, Mr. Smith's son-in-law.

## Hospital Assn. of Toledo (O.) Granted Rate Increases By Vorys

Rate increases for Hospital Service Assn. of Toledo (O.) have been approved by insurance superintendent Vorys. The 21.5% boost in monthly premiums will affect some 500 persons in the area. All current policies on a direct pay or bank pay basis and some payroll deductions contracts will be replaced by a new 70-4 standard contract on an 80-20 basis.



The executive, nominating, and program committees of the Million Dollar Round Table met recently at the site of next year's annual meeting, the Americana Hotel, Bal Harbour, Miami Beach, to discuss plans for the meeting and other matters. Unless otherwise indicated, those shown in the picture are members of the program committee. Seated, from left: Edward J. Mintz, New York Life, Salinas, Cal., nominating committee; Warren F. Coe, Penn Mutual, Oshkosh, Wis., nominating committee; James B. Irvine Jr., National Life of Vermont, Chattanooga, executive committee and chairman of membership committee; William D. Davidson, Equitable Society, Chicago, member and immediate past chairman of executive committee, chairman of nominating committee; Adon N. Smith II, Northwestern Mutual, Charlotte, N. C., executive committee chairman and member of nominating committee; Robert S. Albritton, Provident Mutual, Los Angeles, vice-chairman of executive committee and chairman of program committee; Lester A. Rosen, Union Central, Memphis, member of executive committee and chairman of annual meeting committee; Alfred J. Lewallen, Mutual Benefit Life, Miami; Albert M. Palmer, Massachusetts Mutual, Miami, vice-chairman of program committee; Howard D. Goldman, Northwestern Mutual, Richmond, Va., nominating committee, a past chairman of the Round Table.

Standing, from left: Clarence E. P. Crauer, Northwestern Mutual, Poughkeepsie, N. Y.; John M. Hammer, State Mutual Life, Tampa, Fla.; Harry M. Roberts, Southwestern Life, Dallas; Robert K. Clark, New England Life, Cleveland; Warren S. Griffin, National Life of Vermont, Atlanta; Z. Willard Finberg, Great-West Life, St. Paul; Earl V. Carlin, independent, Columbus, O.; A. Carlton Park, London Life, Hamilton, Ont.; Benjamin L. Stern, New England Life, New York City; Charles T. Kingston Jr., Union Mutual Life, Hartford; Daniel H. Coakley Jr., New York Life, Boston, program committee vice-chairman; Alfred S. Howes, Connecticut Mutual, New York City.



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young Eastern field executives  
as our

EXECUTIVE DIRECTOR OF SALES

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DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted  
exclusively to the underwriting of Ordinary and Annuity plans*

*Over Three Billion Dollars of Insurance in Force*

## Texas Court Voids Order Holding Up Credit Life Rules

AUSTIN—The third court of civil appeals, has voided a district court order issued to Cosmo Life, Amarillo, that had held up enforcement of the new rules, rates and regulations on credit life and A&H insurance issued last February by the Texas board of insurance. The order sent the case back to the district court for trial on its merits.

The board won its chief point of contention in the appeal as the decision held that "there is no provision before us authorizing the district court to reinstate rules, regulations and rates in effect prior to the complained of order."

The action was unusual in that both the board and Cosmo Life had appealed from the ruling of District Judge Betts. The company had complained chiefly against a condition in the board's order which required the company to deposit the entire premiums collected on all credit insurance written in a trust fund to be held

## Name Rinehart New Alabama Commissioner

BIRMINGHAM, ALA.—Gov.-elect John Patterson of Alabama has named Edward L. Rinehart, assistant attorney general, commissioner to succeed James H. Horn whose appointment runs out Jan. 1. Mr. Rinehart originally was slated to take over the directorship of the state industrial planning and development board, while Robert L. Jones, personnel director of Preferred Life of Montgomery, was to become the new commissioner. Mr. Jones is reported ill.

Field men of Lincoln Income Life of Louisville are engaged in a production effort in honor of their president, John T. Acree Jr., who observes his 35th anniversary next year.

pending final settlement of the case. The company argued that most of its assets would thus be tied up in the litigation.

The board's order of Feb. 24 prescribed new and lower rates on credit insurance, with the estimate made at that time that the reductions would amount to \$8, million in charges in connection with small loans.

## Leave Life Sales To Experts, Fidelity Mutual Agents Told

Some 400 Fidelity Mutual agents, general agents and their guests heard E. A. Roberts, president, speaking before the four-day convention at Colorado Springs, urge leaving life insurance selling to the experts.

Mr. Roberts, discussing "One-stop selling of any kind of insurance you need," observed that "... only an expert should deal with the engineering of fire coverages, and only the well-qualified should deal with life insurance programs and work ..."

He expressed appreciation to the field force for its 1958 production performance which brought the paid business figure for the first nine months to 7.7% ahead of the same period last year and 15.6% above that of 1956.

### New Developments

Calvin L. Pontius, senior vice-president, summarized Fidelity Mutual's growth in recent years and announced three new developments scheduled to go into effect immediately or near the first of the year—a pre-authorized check plan with monthly payments based on one-sixth of the semi-annual premium, a 30-payment life policy and the setting back of women's rates three years from the male age for specific contracts.

In his discussion of Fidelity Mutual's investment operations and the general economy of the country, Ralph W. Erwin Jr., 2nd vice-president, said, "The recession, inflation and income taxes ... have not and will not interfere with the long term growth trend of the life insurance industry. The 1960s could and should be the finest decade in the history of our business."

### Panel Group

A panel discussion by members of the field force, with Glenn A. Stearns, 2nd vice-president, acting as chairman, concluded the opening day session.

The second business session included a talk on group coverage by Martin L. Zeffert, assistant actuary, and a panel discussion on life coverage for business and estate purposes by four Fidelity Mutual agents.

The final session featured M. B. Lamar, Jr., Philadelphia, speaking on "My Fundamentals for Success," and another talk on spot programming by H. F. Prochaska, Los Angeles.

## Guardian Life Revises Pension Trust Program

Guardian Life has revised its pension trust program, adding two life policies—ordinary life and life at 65—designed to be used in combination plans. All policies in the pension trust series have been rewritten and now provide the same settlement options as ordinary policies.

Premiums are lower than the previous rates for most plans and ages, and include a differential for lower female mortality. The quantity discount principle has been used in setting rates, with reduced premiums on policies with face amounts of \$10,000 or more. New contracts also provide higher early cash values than previous issues.

New underwriting procedures provide for automatic consideration of guaranteed issue underwriting on cases of 10 employees or more.

## Symposium Told LIAMA Manager Test Brings Agents Back To Earth

J. D. Anderson, agency vice-president of Guarantee Mutual, during the symposium on management development through career analysis, at the annual meeting of LIAMA in Chicago, told how LIAMA's career analysis procedures not only assist in the selection of managers, but are also useful as a means of pointing out to an agent his deficiencies and his need for further development before he is qualified to assume a supervisory position.

Mr. Anderson's talk appears below in abridged form.

This is a case history of agent "A" the first man we brought in from our field organization to go through CAP. We requested Don Peterson, LIAMA program director in the research division, to come to our home office and guide us so that we would do it exactly right and, therefore, have an accurate evaluation of the usefulness of this tool for us.

Agent "A" has over 10 years with our company, a good producer with ease, but possessing along with his natural sales ability all the temperamental characteristics too often associated with his type. He is a graduate of our basic, intermediate and advanced home office schools and of LUTC, but was a poor manager of money, had a frequent tendency to want a general agency of his own, frequent offers from other companies and was making a good inconsistent income despite more than his share of weaknesses.

### Development Program

He was impressed by being chosen. That prestige motivated him tremendously; he was wholly receptive. He knew after the test and interview that he had unintentionally divulged things he never intended to have brought to light. He knew he wasn't even a good example of an agent, but alone balanced or knowledgeable enough to become a general agent. He agreed readily to a program of development and will complete the first phase at the year's end. The program is based on a special review of particular parts of our own company training course, supplemented by the LIAMA agent development program.

Here are the results that surprised even us:

He has almost doubled his production, increased his knowledge, is doing a consistent job of production, has balanced his budget, has his wife and family prouder of him in the business and, most important, has forgotten about management at least until he gets much further along in the business. He is no longer disturbed by recurring offers of agencies.

### A Different Insight

Among the other seven who have gone through the procedure, we have been most impressed by one thing—brings the man down to earth with a thud, and it gives us a far different insight into the kind of man we are looking for. Frankly, four of the seven who have taken the career analysis procedures would have been hired as general agents by our past yardstick. The decision conference that climaxed each session is the highlight—brings out about everything. Thus we know we will not put another man into our management team without having given him the CAP.

# Why DO Monarch® MEN GET FURTHER FASTER

... here are five main reasons

**1. Two quality products:** Monarch men can offer every prospect complete protection—non-cancellable, guaranteed premium rate health and accident, and participating personal and business life. Result: quality policies for all of the prospect's needs!

**2. Intensive sales training:** Monarch men are trained at our Home Office Training School, followed up by agency training meetings, correspondence courses and advanced training school sessions. Result: the training necessary to do the job!

**3. Practical financing:** Monarch men enjoy the benefits of an incentive bonus plan for their first two years, which provides income to a satisfactory level. Result: establishment in business without indebtedness!

**4. Group sales:** Monarch men can offer group insurance as well as personal insurance—group disability income, group hospitalization, and group life. Result: no missed sales opportunities!

**5. Management opportunities:** Monarch men only are chosen as our agency supervisors, training school instructors, general agents and Home Office agency executives—without exception. Result: a management training program that is working!

Want more details on why Monarch men get further faster?

Write to our Dept. PR-9.

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SPRINGFIELD, MASSACHUSETTS

NOW AFFILIATED WITH SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY AND NEW ENGLAND INSURANCE COMPANY



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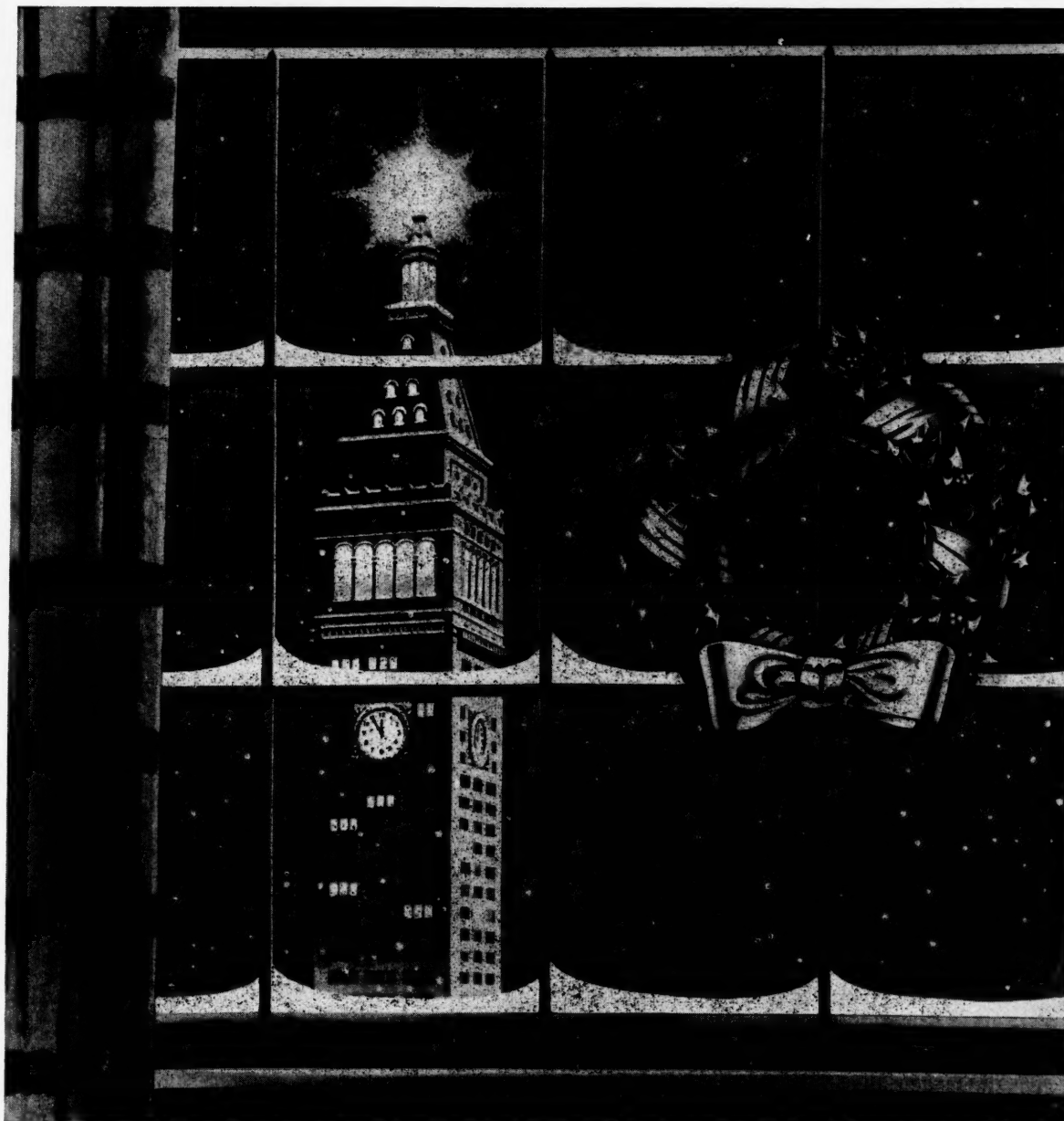
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## Merry Christmas

THOUGH OTHER THINGS may change in this world of ours, Christmas remains forever the same . . . a season of joy and hope and love and faith.

We of Metropolitan Life . . . whose privilege it is to serve so many families in the United States and Canada . . . greet you in the ancient and abiding spirit of that first Christmas observed so long ago under the stars of Bethlehem.

May you know the warmth, the joy and the love of

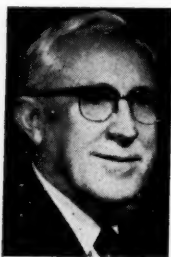
Christmas as expressed by happy family reunions . . . the spirit of Christmas as symbolized by church bells and chimes . . . and the faith of Christmas as expressed in our worship of the Almighty.

As a New Year dawns, we hope it will bring you the fullest measure of health, happiness, progress . . . and peace and contentment of mind and heart. And may these blessings be with you throughout all the years that lie ahead.

METROPOLITAN LIFE INSURANCE COMPANY (A Mutual Company) 1 Madison Avenue, New York 10, N. Y.

## Stotz To Retire As Mutual Benefit Life GA At Grand Rapids

Raleigh R. Stotz, for 28 years general agent of Mutual Benefit Life at



Raleigh R. Stotz

Rapids, have been named, respectively, general agents at Grand Rapids and Lansing.

Mr. Stotz intends to remain active in personal production at Grand Rapids. In addition, he will serve as advisor to the home office agency department as counselor for newly appointed general agents.

Grand Rapids, will retire from his management duties on Dec. 31, and two new general agencies will be formed in Mr. Stotz's territory, one in Grand Rapids and the other in Lansing. William F. Humphrey and Neil D. Comerford, both associate general agents at Grand

Mr. Stotz has been with Mutual Benefit for 36 years as agent, supervisor and as general agent since 1930. At the end of last year his Grand Rapids agency ranked eighth in volume among Mutual Benefit agencies and first in ratio of production to buying power of his territory.

He is a past president of both Grand Rapids Life Underwriters Assn. and the local chapter of American Society of CLU.

Mr. Humphrey has been with the Grand Rapids agency since 1938. He has regularly earned membership in the President's Club for top Mutual Benefit producers and has consistently received the National Quality Award of National Assn. of Life Underwriters. He is a CLU.

Mr. Comerford began his life career in 1949 with Travelers, later becoming a member of the management staff of the life, accident and group department. He joined Mutual Benefit at Hartford in 1954, and in 1956 he was assigned to field supervision work in the agency department at the home office. He became associate general agent at Grand Rapids in 1957. Like Messrs. Stotz and Humphrey, he also is a CLU.

## Mutual Of New York Names Three Regional Superintendents; Seven Others Appointed



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James A. Shea



John D. Everatt



Richard T. Boral



Clayne Robison



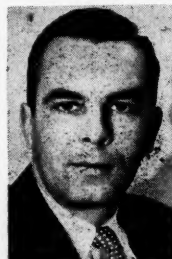
Howard E. Barnhill



Glenn O. Mulvey



Albert C. Truett



Louis E. Buenz

Mutual of New York has expanded its field supervisory staff by appointing three regional superintendents to assist regional vice-presidents and, at the same time, has made a series of promotions and appointments to new positions from among directors of various sections in the home office sales department. All appointments become effective Jan. 1.

Howard E. Barnhill, Clayne Robison and Louis E. Buenz are the new

(CONTINUED ON PAGE 14)



John J. Mahon

memo to home  
office executives

## The Substandard Risk— Hidden Profit Opportunity?

Many life companies seem to shy away from substandard risks. Yet these risks can prove profitable, if they can be safely covered. And they are most likely to become valuable "good will ambassadors" for the company that insures them.

Because North American is in life reinsurance exclusively, we are constantly exposed to impaired risks in large numbers and wide degree. This fact has produced experience in substandard risk underwriting which can prove invaluable to the life company with a borderline case on its hands. North American's position in evaluating substandard business is this strong—  
*we will reinsure cases rated up to 500% on an automatic basis and cases rated up to 1000% on a facultative basis.*

Services of this caliber lead more and more life companies to reinsure with North American.

To find out more about our services, and what they might accomplish for your company, just write for your free copy of our booklet, "Reinsurance Exclusively".



### NORTH AMERICAN REASSURANCE COMPANY

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Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP

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Imagine, Mabel,  
Republic National Life  
having that much  
Life Insurance  
In Force



Well on the road to  
Two Billion Life Insurance in Force!

## NEW GENERAL AGENCY OPPORTUNITIES

Top Commissions • Vested Renewals • Complete Line of Life and Accident and  
Sickness • Group • Sub-Standard • Pension Trust • Franchise • Guaranteed Issue

Will Accept Non-Medical to \$25,000.00  
For Full Time Agents & General Agents

Write James W. Galloway, Assistant Vice President and Director of General Agencies

REPUBLIC NATIONAL LIFE INSURANCE COMPANY  
3988 NORTH CENTRAL EXPRESSWAY • DALLAS, TEXAS



# Argent Fait Le Jur

Which is the French way of saying, "Money talks!"  
Some money demands to be saved—other money cries  
to be spent, but wisely. **Ohio National Life** has the kind  
of products and services that helps prospects and clients  
do both profitably . . . while contributing at the same  
time to the good fortune of our agents and general agents.

No. 4 in a Series by The Ohio National Life Insurance Company



## like money in the bank

Like all fine companies Ohio National Life's agency philosophy emphasizes adequate compensation for initiating and completing the sale. As further evidence of this fact we point with pride to the extended benefits of our newly completed contract for agents and general agents. High first year and renewal commissions, built-in bonuses for quality business, supplementary service fees, extensive fringe benefits, including a pension plan, group life, hospitalization and major medical are highlights of the new agreements.

Income is one measure of success. We are proud to say Ohio National Life has, and will continue to have, its share of successful agents and general agents.

No wonder Ohio National Life fieldmen say—"the new contract reads like money in the bank."



**THE Ohio National Life**  
INSURANCE COMPANY • CINCINNATI

Illustration courtesy of The Champion Paper and Fibre Co.

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## Ind. Life Agents' Assn. Bucks License Examination Proposal At Midyear Meeting

Indiana Assn. of Life Underwriters, which almost continuously for a decade has battled over the subject of a life license examination law, girded its forces against the latest proposal at its midyear meeting in Indianapolis.

In a session that ran until midnight at its annual meeting last May, the association battered down a plea from the backers of such a law, including a pro presentation by Carlyle Dunaway, of NALU headquarters, only to have the subject forced on its midyear agenda by a report of the legislative committee under state Sen. J. R. Townsend recommending an examination bill.

Ironically, the Townsend committee, a non-partisan legislative group established by the 1957 general assembly, was appointed to investigate hospitalization insurance in the state, had the all-out support of the state life association, and was never expected to touch on anything in the area of life insurance.

### Does Not Endorse Full Report

While endorsing the portion of the Townsend report dealing with Blue Cross, the association carefully refrained from endorsing the report in full. It heard Commissioner Palmer declare the state's present qualification law is superior to any examination law and ought to be imitated by other states, and Lester Schriver, managing director of NALU, state that while he stands for examination laws, he is more concerned with "the smart guy" who can pass any examination but has no principles in his operation.

The meeting also heard Mr. Palmer report he will seek to increase the capitalization requirement for new companies from \$300,000 to \$500,000, passed a resolution damning the PIP "green stamp" scheme for giving life insurance away with purchases of merchandise, tabled a motion to condemn companies allowing home office employees to buy life insurance on their own lives without the first-year commission, and accepted the recommendation of a special committee for the formation of a general agents and managers committee of the state association rather than a state general agents and managers conference.

### Accepts Resignation Of Kendall

In addition, the meeting approved the action of the executive committee in accepting the resignation of Judge John Kendall as legal counsel and legislative representative and the appointment of G. Weldon Johnson to the post. Mr. Johnson, an attorney and son of a past president of the state association, has been serving as executive secretary of the state association as well as of the Indianapolis association and the Indianapolis general agents and managers group. He now assumes the joint role of executive secretary and legislative counsel.

Kicking off the two-day sessions was a special Indianapolis Chamber of Commerce luncheon honoring Oren Pritchard, Indianapolis, upon his election in September as president of NALU. Principal speaker at the luncheon was John Lloyd, president of Union Central, Mr. Pritchard's company. Mr. Lloyd called on "conservatives" to "continue the fight" against inflationary and socialistic trends, warning that if all of the things promised by successful candidates came to

pass, the dollar would be further eroded to a drastic degree. "In view of the degree to which the pendulum has already swung," he declared, "if the election portends a greater swing in the same direction, the situation is alarming."

The afternoon session on Nov. 21 heard three Indiana agents report on their sales methods. They were: Garnett Inman, Wisconsin National, New Albany; Jack Peckinpugh, Indianapolis Life, Muncie; and Wendell Dygert, Northwestern Mutual, Fort Wayne.

Closing speaker of the afternoon, Lester Schriver, warned general agents and managers that the attitude of their agents toward the business is merely a reflection of their own, charged that companies are primarily responsible for unethical actions of their agents, and urged agents to "give your prospects the religion of life insurance."

Addressing the Friday evening banquet, Mr. Pritchard, speaking on "The



## MIAMI

The finest place  
in the country for  
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Agents and General Agents contracts available to qualified men.

Incentive Plan—Free Group Hospitalization and Life Bonuses.

### STOCK OPTIONS

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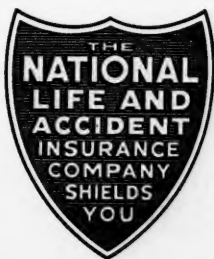
Miami, Florida

## HARVEST TIME

"The frost is on the pumpkin (or soon will be) and the corn is in the shock..."

Which means the fruition of the year's labors, and time for good Life Insurance men to get up and go!

Ours are busy.



THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY  
HOME OFFICE - NASHVILLE, TENNESSEE

National Association and You," took up the NALU code of ethics point by point and related it to the everyday operations of the agent, urging adherence to the code in spirit as well as letter. Mrs. Ann Bickerton, NALU director of field services, conducted an association workshop on public relations that held the audience until 11 o'clock Friday evening.

#### Football Cuts Attendance

Saturday morning was devoted to a business session, which saw attendance

cut to less than half by the Indiana University-Purdue football game in nearby Lafayette.

Most heated discussion of the session was over the report of the special committee under Francis Davis, Marion, on the formation of a state general agents and managers conference. His recommendation for the formation of a standing general agents and managers committee of the state association instead of a conference drew a vigorous warning from R. W. Osler, Indianapolis, that such committees

have been tried in other states and found wanting.

Mr. Davis reported that it was the thought of the special committee that a general agents and managers committee would be a test of whether there is enough interest in the state to justify the formation of a conference. Opposition to a general agents and managers conference, Mr. Osler charged, is the opinion of a minority.

The "minority" allegation was backed by Marty Robert, Hammond, who reported that a personally-con-

ducted postcard survey in his area indicated a definite interest in a conference. Mr. Davis, in turn, pointed out that while the opposition might be a minority, it was composed of highly influential agency heads whose support would be essential to the success of a conference and who are now against it. They might be converted, he claimed, if a state association committee could direct such management activities as zone conferences that would demonstrate enough interest to justify a conference.

The motion for appointment of a state association general agents and managers committee passed.

#### American Life In A&S

American Life, affiliate of American Surety, is offering a broad portfolio of A&S lines and has prepared a basic course of study for agents wishing to qualify for a life or A&S license.

The new lines include a schedule accident policy and a schedule disability policy which adds sickness protection to accident coverage for one, two or five years of non-house confining disability.

Other new forms are moderate cost package disability, individual and family hospital expense, and a senior hospital expense form for the 65 to 80 age bracket. The new income disability form provides loss of time coverage on a guaranteed renewable basis up to age 65 and is renewable beyond that at the company's option. Trip travel accident coverage is also being offered.

#### Ill. A&S Forum Studies High Loss Ratio Areas

Problems involving underwriting high loss ratio areas were studied in a panel discussion held by Illinois A&S Underwriters' Forum at the November meeting in Chicago. Panelists were Herbert Neitzold, Bankers L&C.; Walter Letsch, United of Chicago; Charles Naughton, Continental Casualty; Donald Silldorf, Combined and Samuel Serio, Bankers L&C., who acted as moderator.

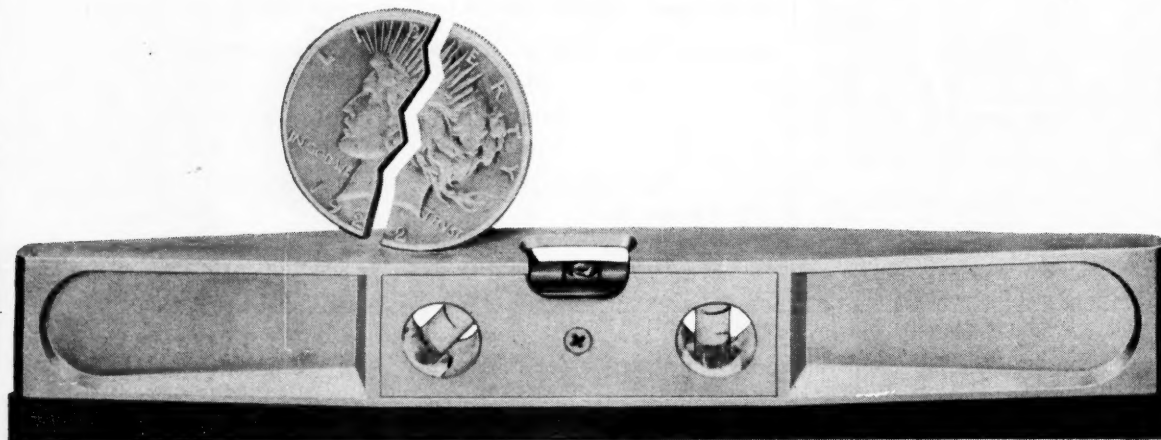
#### Serio Gives Definition

The high loss ratio area was defined by Mr. Serio as being one where the loss ratio is higher than normal and where the morbidity ratio is lower than normal. Panelists appraised methods of determining where these areas are, what their respective companies do about it, and listed occupations which could not be written profitably without proper precautions.

A number of partial remedies to underwrite this type of business on a sound basis were offered: Require agents to better examine their applicants, substitute or modify coverage, increase rates, or employ a deductible. The best method, the panel agreed, was quality control in selecting the type of business that is to be put in the books.

#### Merger Of American Liberty And Columbus National Approved

Commissioner Walter D. Davis of Mississippi has approved a proposal for merger submitted by American Liberty and Columbus National and estimated that the merger will take place within the next month. Columbus National recently completed a \$504,000 stock sale for the formation of its own company, but instead will join with American Liberty, if the latter's stockholders approve the merger of the two Mississippi insurers.



## A SPLIT-DOLLAR PLAN WHICH GIVES EMPLOYEES A LEVEL DEATH BENEFIT

With our new Split-Dollar Plan it is possible to give life insurance protection to employees during their normal years of active employment whereby:

- (1) the employer gets back the premiums he has paid
- (2) the employee at the same time maintains a level death benefit
- (3) the part of the premium paid\* by the employee is small after the first year and, at the younger issue ages, disappears in a few years. Even at the older

issue ages the employee's share of the premium is only a small part of the total premium.

This Split-Dollar arrangement is made possible by CML's new dividend endorsement providing for the purchase of One-Year Term Insurance from dividend accumulations. This very valuable feature is made available on new Ordinary Life Policies, \$10,000 or more. Connecticut Mutual's General Agencies from coast to coast will welcome inquiries from interested brokers.

\*Based on current dividends and term insurance rates; neither guarantees nor estimates for the future.

**Connecticut Mutual Life**  
INSURANCE COMPANY • HARTFORD



## Panel Plays Critic For Indianapolis Group

Indianapolis general agents and managers were told at their November association meeting that they should mechanize the selling job in order to recruit from a broader field, that supervision is the biggest weakness in agency management, and that they must choose between building a purely merchandising agency and a career-man agency.

The opinions were expressed by a three-man panel of "Constructive Criticism by Outsiders" consisting of A. T. Lange, president Pictorial Publishers; Kenneth Anderson, managing editor Research and Review Service; and R. W. Osler, editor The Insurance Salesman.

Mr. Lange labelled recruiting to the career concept a mistake. That concept comes only after a man has been in the business, he declared. Men should be recruited on a more immediate basis and the sales job broken down on a production-line principle and mechanized so they can begin to earn their financing at once. Those that stick may eventually develop the career concept, but it has little appeal to them in initial recruiting.

While turnover in the business is lamentable, it is not disgraceful, Mr. Anderson stated. The disgraceful aspect of management is the failure of men who could, to do better. In the main, it is a failure of supervision, brought about because the agency head thinks there is a terminal date at which he can stop supervising. "If only the newer wives in your harem are getting the living, you are in for trouble," he warned.

### Sees Marketing Upheaval

Mr. Osler declared the business is in the midst of a marketing upheaval. "Note that I do not call it a revolution. Out of it could come a revolution, but to date we have only an upheaval, a wild grasping out for something, anything." Primary cause of the upheaval is the high cost of marketing insurance, he stated. Out of that situation come such "conditions" as price merchandising, the push on group and term, a creeping return to mass recruiting with less training and the use of part-timers, and similar "trends."

He predicted that in the future, the business may see two types of agencies existing side by side, each successful in terms of what its companies, its managers, and its agents consider success. One type of agency will be a pure merchandiser made up of pitchman type salesmen and the other will be an agency staffed with career-type, professionally-trained men.

### Mention Agent To Succeed

#### Hugh Earle In Oregon

Gov.-elect Mark Hatfield has made no announcement as to a successor to Commissioner Hugh H. Earle of Oregon, who is certain to be replaced. The Republicans were the winners in Oregon, and not the Democrats as erroneously reported three weeks ago. Mr. Earle was appointed by the Democratic governor.

Among those receiving mention as a possibility for commissioner is Keith Rhodes, Lebanon agent and past president of Oregon Assn. of Insurance Agents.

Provident Mutual Life has reported a record-breaking October with a 29% gain in individual sales over October, 1954.

## Convention Dates

Dec. 8-9, Assn. of Life Insurance Counsel, winter meeting, Plaza Hotel, New York.  
Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.  
Dec. 10-11, Life Insurance Assn. of America, annual, Waldorf-Astoria Hotel, New York.  
Dec. 15-19, National Assn. of Insurance Commissioners, midwinter, Roosevelt Hotel, New Orleans.  
Dec. 28-29, American Assn. of University Teachers of Insurance, annual, LaSalle Hotel, Chicago.  
Feb. 20-21, New York State Assn. of Life Underwriters, general agents and managers meeting, Gideon Putnam Hotel, Saratoga.

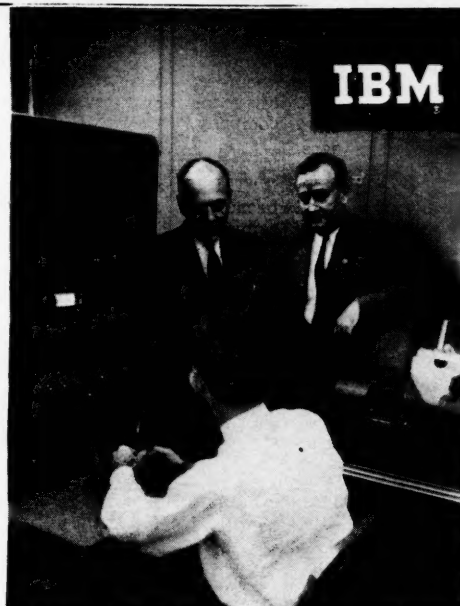
## Security Life Is Acquiring Blue Ridge

Security Life & Trust of Charlotte is acquiring Blue Ridge of Shelby, N. C., through an exchange of 60,000 outstanding shares of the latter for 36,000 shares of Security Life.

Blue Ridge, which has assets of more than \$3.8 million and capital and surplus of approximately \$1.5 million, was founded in 1944 and writes multiple line property and casualty insurance in the Carolinas, Kentucky, Tennessee, Georgia, Virginia and Flor-

ida through 400 agents. The company will continue as an independent operation under present management. Harry L. Dalton is chairman and D. S. Carpenter is president. The home office will be moved to Charlotte, according to Tully Blair, president of Security Life.

Security Life, which has been writing individual life, home protection for savings and loan associations, group creditor insurance and group life, A&S, hospital and major medical coverage, will now offer all forms of property protection, Mr. Blair stated.



### MANAGEMENT INTERVIEW

## IBM 650 CUTS 300-HOUR JOB TO 3 HOURS

*Typical savings for Interstate Life and Accident of Chattanooga, Tennessee—first in the industry to purchase an IBM 650*

IBM 650 at work: Left to right, H. Clay Evans Johnson, Interstate Life Pres. and C. H. Bader, Administrative V. Pres. At the console, Dan W. Campbell, Co-Manager of Interstate's IBM Dept.

Today, more and more life companies of moderate size are turning to the IBM 650 for scores of data handling tasks ranging from policy writing to payroll.

How are these companies doing? Here, through an interview with one company—Interstate Life and Accident Insurance Company—are some of the answers. Presenting the facts on their IBM 650 installation are H. Clay Evans Johnson, President, and Charles H. Bader, Administrative Vice President.

**Q.** To start off, could you tell us something about your company?

**A.** We're a moderately sized, combination company issuing monthly debit, ordinary, regular ordinary, group credit, weekly premium life, and health and accident policies. In addition we handle the operation of a subsidiary fire insurance company. Presently, we have over 1,800 field men operating out of 80 District Offices in 10 states. In our weekly premium department, there are approximately 1,500,000 policies in force.

**Q.** What problems interested you in the use of the IBM 650?

**A.** Several years ago we realized that if we were going to keep pace with future growth expectations we would have to re-evaluate our IBM punched card system and look into electronics. We began, with the assistance of the local IBM people in 1955, to review what we might do in our weekly premium procedures with the IBM 650.

**Q.** What did you discover?

**A.** First, we learned that we would be able to consolidate the many and various jobs being done on conventional punched card equipment. This meant better con-

trol and tremendous savings in cost, time and operator training. Management reports otherwise impractical to obtain would be available. These were just a few of our conclusions. After careful consideration of many factors, we decided on the IBM 650—on an outright purchase basis. As we understand it we were the first in our field to buy this system.

**Q.** What jobs are you now handling?

**A.** At present our work ranges from policy writing and agents' production accounting to statistics and calculations of commissions and payrolls. It includes actuarial records and a variety of statistical reports. For us the IBM 650 system can best pay off by handling a wide range of functions.

**Q.** What benefits are you realizing?

**A.** Benefits are both tangible and intangible. You can measure, for instance, the results of time saving in policy issue when you learn that a job that once took 300 man-hours now takes only three. But how do you measure the elimination of errors, management controls, reduction in crash mailing programs? There's no yardstick, but we know that both the tangible and intangible benefits work for us.

**Q.** What about the future?

**A.** As we mentioned earlier, the IBM 650 was bought to help us meet our future growth problems. We can expand its capacity to meet our needs. What you call the "building block" characteristic of this IBM equipment keeps us flexible.

**IBM**

**DATA PROCESSING**

## Urges Selection Men To Insure Some With Mental Derangements

Reasons why there appears to be a sufficiently sound basis for experimentally underwriting applicants with certain mental disorders were given by Dr. E. B. Williams, vice-president and medical director of Wisconsin National Life, at the annual meeting of Institute of Home Office Life Underwriters at Hollywood, Fla.

"Surely, we can all recall examples of other impairments where for lack of reliable statistical data, underwriting efforts had to be initiated on an experimental basis," he said. "Fortunately, in most of these instances, the initiative was rewarded by the development of greater accuracy of diagnosis, uniformity of nomenclature, classification and coding, so fundamental to sound underwriting. In the light of current medical and statistical progress, there is great incentive for our immediate and sustained approach to the problem of mental disorders."

"Due to the frequency of their concomitant occurrence and influence in

other diseases, it becomes imperative that we develop and exercise our best underwriting judgments in their behalf. The social and economic implications of the mental disease problem are profound, and create a great challenge, both to contemporary medicine and the insurance industry. As underwriters, then, we must with due caution, confidence, and optimism, assume our role in meeting this great challenge, and we must start now.

## Mutual Trust Life To Raise Dividend Scale

Mutual Trust Life will increase its dividend scale effective Jan. 1.

The new schedule will affect all of the company's 2½% reserve policies. The dividend increase will be proportionately greater for the longer policy durations and the higher issue ages.

Woodmen of the World of Omaha has sold its interest in radio and television stations WOW and WOW-TV to Meredith Publishing Co. of Des Moines and affiliated companies for \$1,436,000 in cash and in excess of \$2,333,000 in deferred payments.

## Selection Man Must Show He Is On Side Of Agent: C. A. Will

The home office underwriter must, above all, give the agent a sense of belonging, a "feeling that you are on his side," said Charles A. Will, assistant underwriting secretary of Guardian Life, in his presidential address at the annual meeting of Institute of Home Office Underwriters at Hollywood, Fla.

"Remember that your position is unique, for regardless of what the agent tells you, or what he asks, or how he pleads, if your answer to him is no, there is little that he can do about it, except, after a while and after too many no's, go to another company," said Mr. Will.

### Hard Position To Be In

"This is a hard position to be in because to say no is easy but it is something that should be done only after you have considered every possible alternative. In other words, your responsibility is one that must say yes just as often as you can, consistent

with sound underwriting standards. "Remember this—if you do say no, you must do so in a manner which retains the good will of your field man, convinces him of the soundness of your decision, and makes him feel that it is one that hurts you as much as him."

## Transferring The Gavel



Shown at left in the above photo receiving Institute of Home Office Underwriters president's gavel from the outgoing president, Charles A. Will, Guardian Life, is Ira A. Dryden Jr., vice-president and underwriting manager Amicable Life of Waco. Mr. Dryden was elected at the organization's recent convention in Hollywood, Fla.

Other officers elected were: I. M. Spear, State Farm Life, executive vice-president; Clyde deHaas, Equitable Life of Washington, D. C., vice-president and editor; John D. Rockefeller, Pacific Mutual, secretary-treasurer, and Harold Munson, Guarantee Mutual, convention secretary.

## Mo. AFL-CIO To Probe Overcharge In Blue Shield

The St. Louis labor council of AFL-CIO has opened an investigation of complaints of overcharges of union members in Blue Shield and other medical care plans.

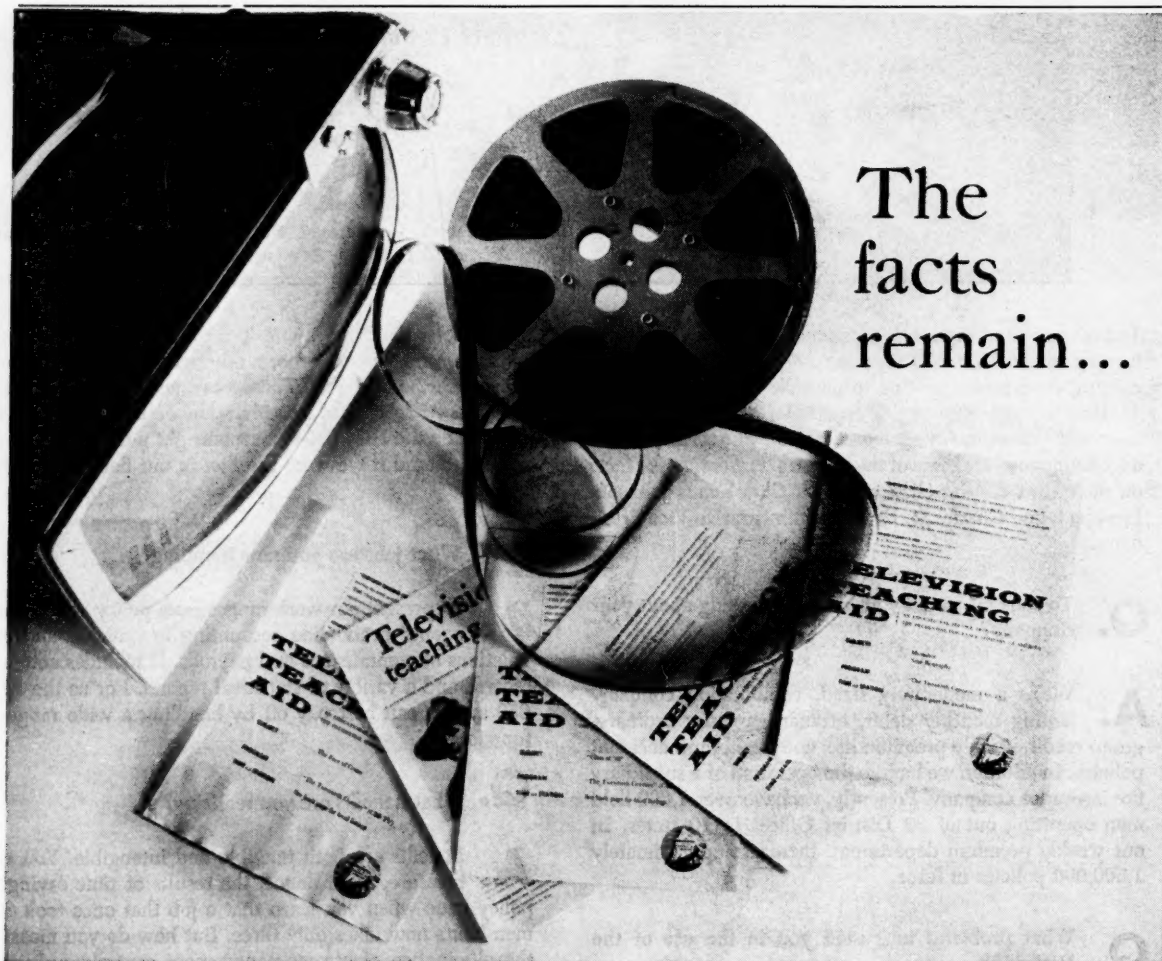
Oscar Ehrhardt, council secretary, said representatives of United Auto Workers met with Blue Shield officials to discuss claims that doctors had allegedly raised their fees for surgical and medical services above "the going rate" when they learned the patients had medical plan coverage. Members of the union were asked to provide documentary evidence and other information which might indicate how widespread the alleged abuses are in the medical profession.

Dr. Walter S. Sewell, president of Missouri Medical Service (Blue Shield), said that action would be sought against any doctors who overcharged persons covered through the Blue Shield Plan through local medical societies.

## Hulbert To Stay In Utah

The report of the results of the election in the ranks of insurance commissioners carried two weeks ago erroneously stated that Carl A. Hulbert of Utah would not be reappointed because of a change of administration in his state. There was no election of a governor in Utah this year, and Hulbert is not to be replaced.

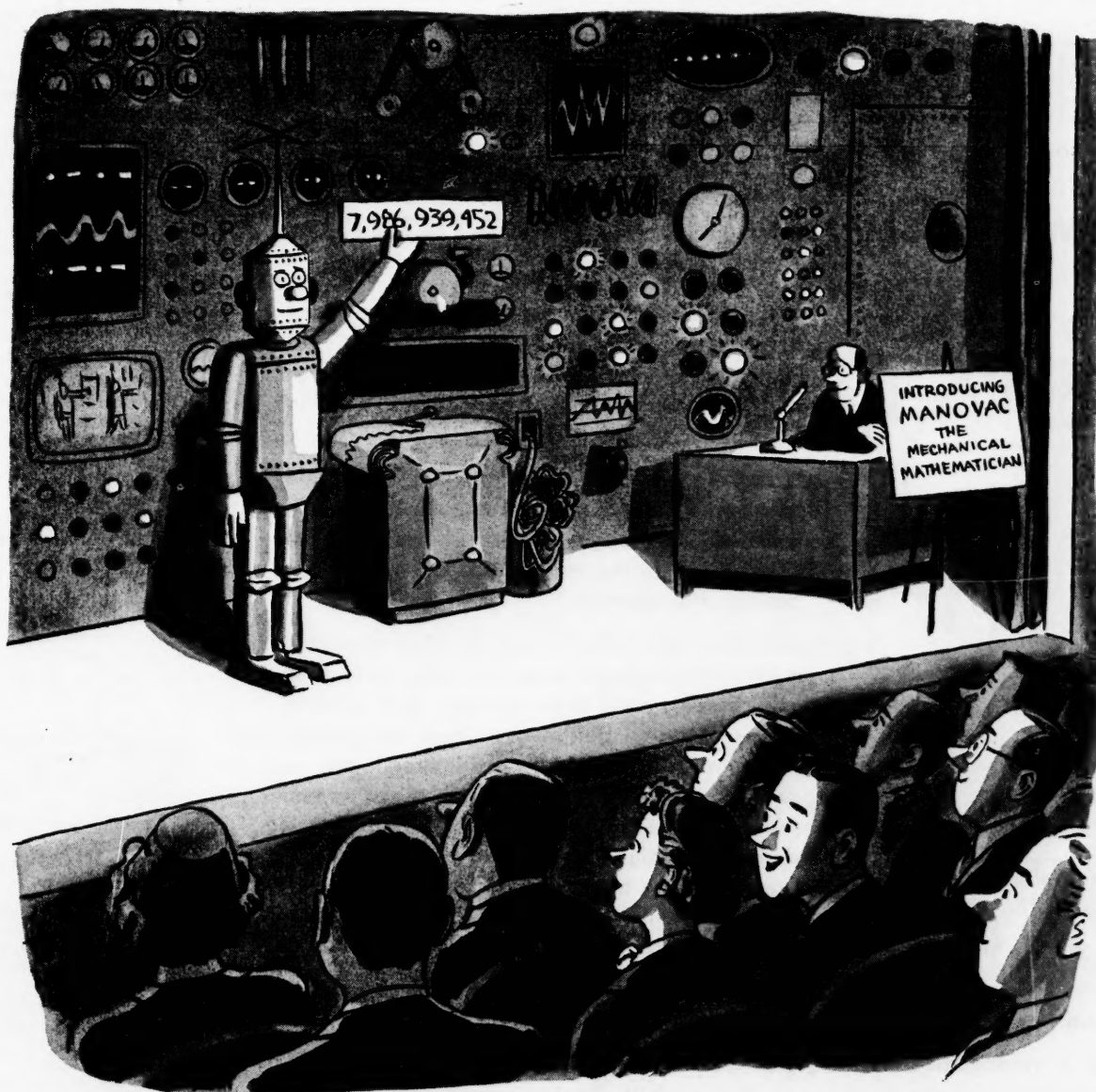
Life in force with New England Life has passed the \$6 billion mark, which is double the amount in force with the company in 1931.



**The Prudential**  
INSURANCE COMPANY OF AMERICA

Every show that appears as part of Prudential's award-winning television series, THE TWENTIETH CENTURY, is based upon facts—historical, documented facts. But once each show is over—it doesn't stop there—the facts remain. They remain as part of Prudential's continuing education program. They appear in print in Prudential's teaching aids, used by thousands of teachers in thousands of classrooms throughout America. These facts are recorded on film and become a part of Prudential's film-lending program. The films are available to schools, colleges, churches and club groups. This Prudential service is molded from a twentieth century concept . . . to keep the public informed. And this effort is the basis for Prudential's education program.





*"If you think he knows all the answers,  
you ought to talk to my Provident Mutual man!"*

Provident Mutual actively encourages and assists its Career Agents to complete L.U.T.C. and C.L.U. courses. Provident Mutual also offers a continuing program of Company schools and seminars ranging from basics right up to supervisory and management levels; comprehensive field and Home Office training; the counsel of advanced un-

derwriting specialists; the facilities of a specialized Personal Planning Service.

In these and many other ways, Provident Mutual helps make the Career Agent a man whose value to his customers, to his Company—and to himself—is constantly "on the grow."

## Provident Mutual

Life Insurance Company of Philadelphia

## Mutual Of New York Names Ten To Posts

(CONTINUED FROM PAGE 6)

regional superintendents of agencies. Mr. Barnhill, who will have headquarters at Chicago and will supervise 19 of the 36 central region agencies, has been with Mutual since 1946, when he joined the Cleveland agency. He has been assistant manager there and manager at Des Moines. In 1956 he became director of management training at the home office and was promoted to superintendent

of agencies early this year. He is a CLU.

Mr. Robison will be located in Atlanta and will have 19 of the 37 southern region agencies under his supervision. He joined Mutual at Salt Lake City in 1931, where he became assistant manager in 1946. In 1950 he was appointed manager at Boise and last July was advanced to the home office as field superintendent of agen-

cies. Mr. Robison has been secretary-treasurer of Idaho Life Underwriters Assn. and president of Boise Life Underwriters Assn.

Mr. Buenz, who was named director of management training last February, will undergo training at the home office and later will be assigned to regional responsibilities. He entered the life field with Mutual at Des Moines in 1948, where he became assistant manager a year later. In 1955 he was appointed manager at Oakland, Cal.

Glenn O. Mulvey, director of A&S sales, becomes superintendent of agencies in the merchandising division to succeed Mr. Barnhill. He will also supervise Canadian agency operations. He has been in the personal insurance field since 1947 and joined Mutual as director of A&S sales in 1955.

As successor to Mr. Buenz, John J. Mahon, director of field services since last February, has been named director of management training. He joined the home office sales staff in 1948 and transferred to Boston in 1952. He was named assistant manager there in 1954 and two years later became manager at Newark.

Director of Sales Promotion Albert C. Trussell goes into the newly created position of director of field relations. He joined Mutual as an agency assistant in 1942. In 1950 he was named manager at New York and was appointed director of sale promotion at the home office in 1954. He is a CLU.

### New Position Developed

Richard B. Thompson, director of employee benefit sales since last February, has been appointed to the new position of director of sales development. He has been in the life business since 1933 and with Mutual since 1946. He joined Mutual as administrative assistant and was promoted to director of sales development in 1947. When the company entered the group field, Mr. Thompson was appointed director of Module sales.

Formerly assistant director of employee benefit sales, Richard T. Borna succeeds Mr. Thompson as director of that section of the sales department. He joined Mutual in 1950, was appointed to the management training unit and later was assigned to the Module operations department. In 1956 he was named regional group specialist at Chicago.

### Former Survey Specialist

James A. Shea, supervisor of conservation since 1954, becomes director of conservation. He joined Mutual in 1950 and following a course of training in the management unit, was appointed to the public relations division staff and later advanced to survey specialist.

John D. Everatt, regional specialist in A&S coverage, is advanced to assistant director of A&S sales. He joined Mutual in 1957. As regional specialist, Mr. Everatt has been assisting managers and agents in the eastern region in developing markets and sales for A&S policies.

## Occidental Of Cal. Hits Billion By Early November

Surpassing all previous company production records, ordinary sales by Occidental Life of California this year have already exceeded \$1 billion by early November.

October was a record production month with ordinary sales totaling \$106,273,991. This represents an increase of \$17,594,858 over October sales in 1957. Ordinary sales for the first 10 months of 1958 are 21% above last year. Group sales for the first 10 months have exceeded the entire 1957 production. Sales total \$312,670,082 as compared to the entire 1957 total of \$310,015,803. This year's group production represents an increase of \$77,036,579 over the total at the end of October last year for a gain of 25%.

Cameron Hurst, New York Life district manager at San Mateo, Cal., spoke on "Career Philosophy" at the monthly meeting of Oakland-East Bay Life Underwriters Assn.

## BUILDING MANAGEMENT—THE N/W NATIONAL WAY



Vernon A. Hook  
Superintendent of Agencies  
Southwest Division

**T**o provide managers for its continuing agency expansion program, Northwestern National Life at all times has 12 to 15 men receiving training in its Agency Management Training Program.

These men, all drawn from our own field force, are trained under competent, full-time trainers of managers—men whose chief responsibility is the training of other men for agency management.

Each of our full-time trainers of managers is a Divisional Superintendent of Agencies located at a strategic point in the country. Each always has two or three men at work week after week. These trainees spend two solid years—and in some cases more—at everyday management problems in different agencies throughout their division. (A high point of each trainee's week, after returning from the field, are the Saturday clinics at which Superintendent and trainees

review the week's management problems and decisions.)

When training is completed and the man moves into management, another man is brought up from the ranks to take his place.

The type of management training given N/W National managers demands expert, career-minded trainers of managers. One such "builder of managers" is Vernon A. Hook, Superintendent of Agencies for the Southwest Division at Dallas. Since 1946, Mr. Hook has brought close Home Office management counsel to agencies in his division and has also directed many fieldmen in field management training.

Twelve of Mr. Hook's management trainees now head agencies in his Southwest Division. In addition, six other men who took their training under Mr. Hook are now managing top N/W National agencies in other divisions.

For 15 years we have followed these management building methods. Our continuing results more than justify the care and attention we devote to our Management Training Program.

**N/W NATIONAL**  
*Life Insurance for Living*

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

MINNEAPOLIS 40, MINNESOTA



## Conservative Life Business Must Adjust To Accommodate New Markets, St. Louis Agents Told

The traditionally conservative life insurance business has had to undergo many adjustments in order to accommodate the expanding market created by the intensified search for security by Americans. Frederic M. Peirce, president of General American Life, speaking at a breakfast meeting of St. Louis Life Underwriters Assn., said this adjustment so far has been successful.

"Old traditions, philosophies and practices are changed almost overnight. We have been seeing new policy forms, new price philosophies, new underwriting concepts, new ways to pay premiums, and new avenues for sales," he declared. Playing a vital role in the economic life of this country,

life insurance has had to be sensitive to changes in this economy and adjust itself when shifts occur, lest the public begin to seek other means to obtain the security they want, and, in the process, invite life insurance out of the security business.

Mr. Peirce recalled the evolution of social security, welfare plans and group insurance, which the insurance companies matched by providing a more convenient means of purchase through monthly debit ordinary and pre-authorized check and by issuing new coverages such as A&S and disability. New and different coverages were devised with the hope that they might be more in tune with the public's present day needs. The family policy, specials, term riders and term policies and variable annuity are some of these.

"All in all, I believe life insurance companies have done over-all exceedingly well in adjusting to the rapidly changing world. Remember, this was not done by concerted effort but re-

flected the total results of the work of many individual companies," he said.

The potential for still greater sales is bright, because the public is still greatly underinsured. He said 21% of the population is absolutely devoid of life insurance, and the average family is covered for only \$8,300.

With prices heaven-bound and the value of the dollar going the other way, it will cost more to raise youngsters and more to send them to college. Men and women are living longer, and in order to make it worthwhile, more

income is needed for their retirement years. Also there are thousands of small businesses, partnerships and sole proprietorships which need the reinsurance of life insurance to protect their business lives.

"What is the market? Life insurance in force at the end of September was about \$450 billion. The wage earners of our population had available in taxes about one-fourth of a billion dollars. If we capitalize this at the modest rate of 3% interest, that nets a capital sum of \$5 trillion," Mr. Peirce said.



Frederic M. Peirce

# "The secret of success is Constancy to Purpose"

Benjamin Disraeli (1870)

**Our constant purpose:  
to achieve success with  
our career men and women.**

Their success is accomplished with the following tools:

- \* Top first year commissions.
- \* A retirement program.
- \* All new A & S program.
- \* Company sponsored education.
- \* Modern, budget designed Life plans.
- \* Tested and proven direct mail.
- \* Liberal underwriting.
- \* An Agency Minded company

**PLUS**

**COMPLETELY VESTED  
RENEWALS FOR THE  
PREMIUM PAYING PERIOD  
OF THE POLICY**

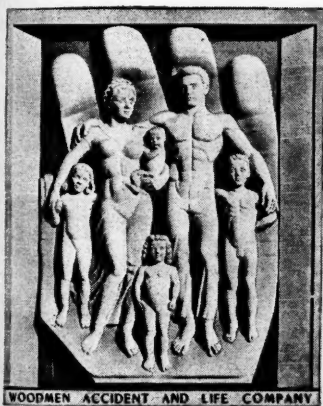
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Insurance Company  
211 W. Wacker Drive Chicago 6, Illinois  
Life • Accident • Sickness

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The Protecting Hand®

The Protecting Hand emblem of Woodmen Accident and Life Company on a policy of life or accident and health insurance is a hallmark of quality. For sixty-seven years this pioneering Company's foremost purpose has been to provide sound protection and reliable service for its policyholders. Its unusual financial strength, complete line of personal insurance coverages, able corps of trained field representatives and long history of outstanding performance have earned it the reputation of "a good Company with which to insure."

Career opportunities for men who seek success in personal insurance field underwriting and management are available in 27 states and the Territory of Hawaii. For complete information write to L. J. Melby, Agency Vice President.

## Woodmen Accident and Life Company

Lincoln, Nebraska

ESTABLISHED 1890

A MUTUAL LEGAL RESERVE COMPANY

E. J. Faulkner, President

All forms of LIFE—ACCIDENT—HEALTH—HOSPITAL—MEDICAL and GROUP INSURANCE

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## BMA Plans To Reduce Its Par Value; Up Shares And Dividend

KANSAS CITY—Stockholders of Business Men's Assurance will meet here Dec. 23 to consider a reduction in the par value of the stock and an increase in the number of shares outstanding.

The company currently has out-

standing 800,000 shares of \$10 par stock. It is proposed to reduce the par to \$4 and increase the number of shares to two million. Subject to approval of stockholders and the Missouri department, the change in the capitalization would be made as of Jan. 5.

BMA pays 60 cents a share annually on the present stock and it is contemplated the new stock would be placed on a 30 cents annual basis. Thus, the annual dividend would amount to \$600,000 instead of \$480,000.

## Inflation Menace To Be Studied At Annual Meeting Of Institute

NEW YORK—A look ahead, based on a review of the past 20 years, with special attention to the hazard of inflation, will highlight the annual meeting of Institute of Life Insurance, to be held at the Waldorf-Astoria hotel here Dec. 9.

The inflation story based on the actual experience in one of the countries where inflation has hit the hardest in past years, will be presented by Ludwig Rosenberg, director of the department of political economy of DGB, the German federation of trade unions. Reflecting the interests of the life insurance business in combating inflation, Mr. Rosenberg has been asked as one who has witnessed the ravages of inflation at first hand, to discuss the problems of inflation as he sees them. He will speak at the luncheon.

The meeting will be opened by O. Kelley Anderson, institute chairman and president of New England Life, who will speak on, "What 20 Years Can Mean to a Business." Citing the accelerated rate of change of social-economic inter-relationships during the 20 years since the institute's founding, and emphasizing the growth of a new facet of business, the integrated public relations efforts, Mr. Anderson will set the pace for a more detailed review of these years.

This detailed review, an audio-visual presentation of the highlights of the past 19 annual meeting talks and institute activities, will show how the public relations philosophy of the institute was developed. Using kinescopes, tape-recordings, slide films and motion picture clips, built around excerpts from talks by 20 of the leaders of the business, this presentation will stress the progress made in the conscious practice of public relations.

Holgar J. Johnson, institute president, will close the morning program with a talk on "Appraising Tomorrow," suggesting a pattern for looking into the future as a part of company planning and public relations effort.

*Growing careers need shots, too!*

## THE MAN FROM MUTUAL BENEFIT LIFE GETS REGULAR BUSINESS BOOSTERS

Boosters, in the form of the most comprehensive sales aids in the life insurance field, assure the Mutual Benefit Life Career Man's future.

To help him diagnose a client's needs and promote the unique advantages of TRUE SECURITY, Mutual Benefit Life provides such specialized professional tools as:

Audio-visual presentations, each thoroughly sales-tested before he gets them.

Merchandising and educational material such as the following, designed to reach the most lucrative individual prospects:

### a. SELECTIVE GROUP MERCHANDISING—

*An advanced prospecting and selling concept for intimate contact with the business and professional leaders of today—and tomorrow.*

### b. MEDICAL FIELD KIT AND "MD" PLAN—

*Complete guides to the monied medical market.*

### c. SELECTIVE INCENTIVE PLAN—

*Brand new packaging of a dynamic selling idea to meet the needs of many businesses which find usual employee benefit plans inadequate.*

Modern selling aids such as these assure the Mutual Benefit Life man of a more productive and rewarding career—a more predictable and comfortable future. They promote TRUE SECURITY not only for his clients, but for his family and himself.

**MUTUAL BENEFIT**  
The LIFE Insurance Company  
for TRUE SECURITY



THE MUTUAL BENEFIT LIFE INSURANCE COMPANY, NEWARK, NEW JERSEY

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- ★ Agent's Benefits Plan

Special American Series Policies



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H. S. McConachie  
Vice President

**AMERICAN MUTUAL LIFE**

Des Moines 7, Iowa

A GENERAL AGENCY COMPANY



## Changes In The Field

### Manufacturers Life

Walter H. McIvor, former associate manager at Vancouver, B.C., has been named manager of the new branch office at San Diego, Cal. His career in the life business includes a number of years in production and in recruiting and training career agents.



Walter H. McIvor

### Western Life



D. Donald Hoexter

D. Donald Hoexter of Birmingham, Mich., has been named superintendent of agencies for eastern Michigan by Western Life. Mr. Hoexter has served in the agency department of Maccabees and as general agent for Central Standard Life.

### Connecticut General

Bryon D. Williams, district group manager at Los Angeles, has been appointed group account executive and is succeeded by Arthur E. Davis Jr., assistant director of group sales at the home office. Russell L. Holmes, assistant district group manager at Los Angeles, assumes new administrative duties and will work with Mr. Davis, and I. Arnold Murfett, formerly on the group staff at Los Angeles, becomes assistant group manager there.

### American Travelers Life

Harry W. Newman has been appointed regional director for the District of Columbia, Virginia and Maryland. He will have offices in Washington D. C. He has a background in economics and investments and prior to joining American Travelers, he was president of Estate Planning Associates of Washington.



Harry W. Newman

### General American Life

Homer Green has been appointed general agent in St. Joseph, Mo., for General American Life. He was previously with Metropolitan Life as assistant manager at Cape Girardeau, Mo., and he has been in life insurance 16 years.

### Great-West Life

Great-West Life has opened a group office at Denver, Colo., under A. E. Beery, and has named J. H. Dillon group supervisor for Nova Scotia, New Brunswick and Prince Edward Island. Mr. Dillon, who has been assistant group supervisor in western Ontario since 1953, will make his headquarters at Halifax, N. S.

### Pacific Mutual

Dallas J. Focht Jr. has been named agency manager at Omaha for Pacific Mutual. He has previous experience in sales personnel training.

### Berkshire Life

George A. Trudeau has been named manager at White Plains, N.Y. He entered the life field in 1952 with Mutual Benefit Life at New York, was appointed brokerage manager in 1954 and in 1956 returned to full time production.



George A. Trudeau

### Ohio National Life

Dwight E. Lambert has been appointed general agent at Greeley, Colo., for Ohio National Life. He has been in life insurance for 28 years.

### State Mutual Life

Victor L. Beck has been named manager of the new agency at Corpus Christi. He entered the life business in 1953 and joined State Mutual at San Antonio in 1957.



Victor L. Beck

Stuart H. Fitzpatrick has been named group manager at Washington, D. C. He joined the group office at New York in 1954.

### Postal L.&C.

Two general agents have been appointed: Wilbur Waterman at Fort Smith, Ark., and Ted R. Rhea at Houston. Mr. Waterman joined the company in 1954 and was named Postal's man of the year in 1957; Mr.

The man with The Guarantee  
has up-to-the-minute  
**SELLING TOOLS**  
in his kit



You build solid agency foundations with up-to-the-minute sales kits. Guarantee keeps giving you new and important selling tools. Be a Guarantee man and grow! Get the complete agency building story. Write to:

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**IT'S MODERN**  
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Modern Americans have access to worlds of leisure and recreation undreamed of by past generations. Also available are tested methods for establishing a financially secure life. By modern application of life insurance, they realize their goals in education, retirement, home ownership and whole-family security. Modern Woodmen always has kept abreast of the constantly changing needs of the insuring public. That is why hundreds of thousands of Americans have safeguarded their future financial security through Modern Woodmen life insurance.



For Modern Life Insurance  
**It's MODERN WOODMEN**

\$622,000,000 LIFE INSURANCE IN FORCE

ASSETS EXCEED \$207,000,000

\$840,000,000 RETURNED TO POLICYHOLDERS AND BENEFICIARIES

MODERN WOODMEN of America

HOME OFFICE — ROCK ISLAND, ILLINOIS

Rhea was former agency manager for Mercantile Security of Houston.

John C. Anderson has been appointed field supervisor in Wichita. He held the same position for Monarch Life in Kansas City prior to joining Postal Life.

Four agency supervisors have been named: M. Ray Davis at Des Moines, Ia.; Demrie Frankum at Indianapolis; John Gross at Marshall, Mo., and James L. Robb at Denver. Mr. Davis had been Des Moines manager for North American before joining Postal Life in 1957. Mr. Frankum was form-

erly office manager for Pacific Mutual Life in Newark. Mr. Gross joined the company in 1956. Mr. Robb has managed the Denver regional group office for Pacific Mutual for the past 6 years.

#### Allstate Life

Two sales supervisors for life, A&S and hospitalization have been named by the company. Richard M. Daly assumes that position in Menlo Park, Cal., and Jerome C. Power in Pasadena.

Frederick J. Wilk has been appointed personnel manager for the Dallas office.

#### Mutual Benefit Life

Ben G. Thayer has been appointed manager of the new southern regional group office at Atlanta. He entered the group field in 1942 when he joined the home office group department of American Mutual Liability. In 1944 he transferred to Atlanta where he opened the southern division group office. He became manager of the group department of Security Mutual of New York in 1950 and since then has been group manager of State Mutual Life at Cleveland and Atlanta.

#### Midland Mutual Life



Edward H. Dean

Midland Mutual Life has appointed Edward H. Dean to head the company's first agency operation in Minnesota. He will serve as general agent for 15 counties with headquarters in Minneapolis. Prior to joining the company, Mr. Dean was assistant manager at Minneapolis for Mutual Life of New York.

Lloyd J. Skidmore Jr. has been appointed general agent for Midland Mutual Life at Raleigh. He will head up an agency operation serving 20 counties. Before his promotion to general agent, he represented Midland Mutual as an associate of the Wilmington, N.C., agency.



Lloyd J. Skidmore Jr.

#### Travelers

Charles E. Barr has been named farm mortgage loans manager at the Kansas City office. Mr. Barr succeeds W. J. Bales Jr. who retires after almost 25 years experience.

Mr. Barr joined Travelers in 1938 at Marshall, Mo., and transferred to the Kansas City office in 1957.

#### Business Men's Assurance

Don J. Hatch has been appointed special representative for Oregon for Business Men's Assurance. His office will be in Portland where he was formerly manager for New York Life.

#### Occidental Of California

Bernard L. Kott has been named assistant brokerage manager in the Newark branch office. He joins Occidental after representing Aetna in Newark for a year. Prior to that he was with Metropolitan in Irvington.

Carl M. Jensen has been appointed manager of the Cincinnati office. He joins Occidental after representing



## Manhattan Life's 5 New LEVEL TERM RIDERS HAVE Built-In Guarantee of Future Insurability

AND ARE ISSUED IN \$50,000 AMOUNTS AS HIGH AS

on basis of up to \$2,000 per \$1,000 of sum insured

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#### JUST ONE EXAMPLE:

**5-Year Level Term Rider for \$50,000 Attached to Basic \$25,000 Manhattan Life Policy**

**INSURED GUARANTEED** the Right to Convert to Permanent Insurance the Entire \$50,000, or a part, within 5 Years. (to age 40. Thereafter: 4 years, but not beyond age 65)

The option to convert is exercisable any time during the specified period. The amount is not reduced or "pegged" by intermediate drops on specified dates.

#### DON'T OVERLOOK THESE:

SUB-STANDARD ISSUES CONSIDERED

If Basic Policy Includes Waiver of Premium, Rider will also include it. Ask for details.

Ask us about the period during which guaranteed conversion is provided under 10-Year; 15-Year; 20-Year and Term to 65 Level Riders.

All Riders are participating.

#### Remember this about Manhattan Life Level Term Riders:

1. Wide spread of issue ages: 5, 10, 15, and 20 Year Level Term Rider from ages 20 to 64 inclusive. Term to age 65: ages 20 to 59, inclusive.
2. Progressive, Personalized Underwriting that considers sub-standard issues up to 1,000% Mortality on the basic policy as well as on any Rider.

If you want the most of the best in Level Term Riders, call The Man from Manhattan

Over a Billion of Insurance in Force



The Level Term Rider is available in most of the states in which the company operates.

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of New York

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Prudential in Cincinnati as agent and division manager for the past eight years.

Paul C. Hettenbaugh has been appointed assistant manager in the Cleveland office. He is joining Occidental after more than five years with Confederation Life and Equitable Society.

## Guardian Life



Stephen W. O'Neill

Stephen W. O'Neill has been appointed general agent at Richmond. He entered the life field in 1946 and became supervisor for Guardian at Richmond in 1957.

## Prudential

Lyford M. Morris is the company's manager for the newly opened Whittier, Cal., office. Many business and civic leaders were at the recent dedication of the one-story building, which will house 25 employees. Mr. Morris has been with Prudential nine years.

The company has made the following management shift in Milwaukee: Kenneth A. Schweiger is manager of its South View office, and George Koch, former manager of that office, is transferred to the Hilltop office. Mr. Koch replaces Otto F. Affeldt, retired.

Mr. Schweiger joined the organization in 1947, and was promoted to staff manager at Kenosha in 1954.

William J. Bodo has been named

manager of the Philadelphia West Park office. He joined Prudential at Philadelphia in 1937 and last March was appointed training consultant at Newtown Square, Pa.

## Phoenix Mutual Life

The company has promoted four members of its field management staff. Gerald Kiviatt, formerly manager at



Gerald Kiviatt



Wayne Krause

Dallas, has been named manager of the company's new Arlington, Va., office. Wayne Krause, field supervisor at Dallas, is advanced to manager



Gaylen G. Blancher



Louis C. Hurd

there. Louis C. Hurd, manager at Tennessee, advances to manager at Washington, D. C. Gaylen G. Blancher,

field supervisor in Boston, succeeds Mr. Hurd at Tennessee.

## Lincoln National Life

Andrew W. Wening Jr. has been named supervisor of the L. S. Becker agency in St. Louis. He has been with Lincoln National since 1956.

Paul G. Mills has been named agency supervisor for the R. E. King agency of Lincoln National Life at Charlotte, N. C.

Mr. Mills has been in insurance for the past 10 years, and his experience includes not only personal sales but also two years as group sales promotion manager.

## Massachusetts Mutual

James R. Marrcum has been appointed supervisor at Lexington. He entered the life field two years ago.

## Union Mutual Life

The company has appointed George O. Holland as general agent in Seattle, with offices at 916 White-Henry-Stuart building. He has been with Aetna Life in Seattle as assistant

supervisor and supervisor. Before entering life insurance he was with the National Foundation for Infantile Paralysis.

## New York Life

Lawrence W. Lembo has been named home office group representative in charge of the Newark district group office. He joined New York Life at Newark in 1955.

## Mutual Benefit Life

Arthur M. Major has been named manager of the new district group office at New York. He entered the group life business with Connecticut General at Cleveland in 1954 and transferred to Newark in 1957.

## Occidental Of N.C.

Lindsey L. Vance has been named supervisor of the Colorado region with headquarters in Denver.

American Insurers, formerly of Gulfport, Miss., has relocated its general and administrative operations in Laurel, Miss.

## REINSURANCE

## CONSERVING

time and manpower is the job of A&S.

Reinsurance adds scope, capacity and security, factors that complete and safeguard the operation at every point.

Employers constructive pioneer service in A&S is easy to procure and profitable to use.

## EMPLOYERS REINSURANCE CORPORATION

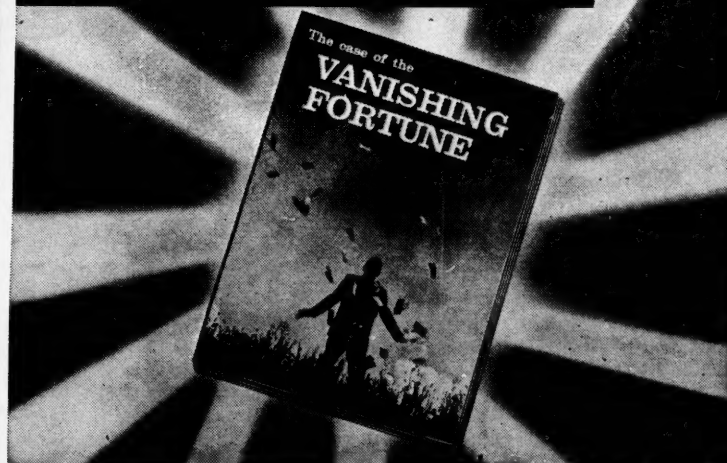
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## ANOTHER PILOT BIG PLUS



Pilot Life agents aren't detectives—but they're all solving The Case of the Vanishing Fortune with the Pilot's new insured investment plan presentation.

The intriguing Case of the Vanishing Fortune proves so effective the prospects are reported "selling themselves" because the benefits are made so obvious.

The Pilot is continually finding advanced ways to improve its sales approaches. That research has produced such outstanding services as Pilot Life's Charted Security Service, and such farsighted plans as hospitalization with guaranteed weekly indemnities, scholastic accident insurance, life insurance for women only, Major Medical group programs with complete flexibility.

Thus the Pilot—the company with the Big Plus—guides its agents to success.



## Pilot Life Insurance Company

LIFE, GROUP, ACCIDENT & SICKNESS  
PILOT TO PROTECTION FOR OVER FIFTY YEARS

O. F. STAFFORD, PRESIDENT

GREENSBORO, NORTH CAROLINA

## Home Office Changes

### Pacific Mutual Life

Lawrence J. Oaks has been named assistant manager of the company's policyowner service department.

Mr. Oaks joined Pacific Mutual in 1949 as district claims representative in Cleveland. He transferred to the Los Angeles home office claims department in 1951, and in 1953 was

named supervisor. He became claims superintendent in 1957.

### Metropolitan Life

Advanced to the rank of actuary are Joseph B. Crimmins, William S. Thomas and LaRue S. Wagenseller, in group actuarial operations, and Joseph T. Gannon and Harold A. Lachner, in

personal operations. All are former associate actuaries. Harold J. Stark, actuary assigned to group operations, has transferred to personal insurance and Harold F. Harrigan and Edwin B. Lancaster, former assistant actuaries, become associate actuaries. Herman Bartimer has been appointed assistant actuary.

### Columbus Mutual Life

Gerald E. Trejo has been appointed director of sales promotion and advertising for the company. Mr. Trejo

joins Columbus Mutual after nine years with Washington National Ins. Co. of Illinois.

### Sun Life Of Maryland

Sun Life of Maryland has made these changes, effective Jan. 1:



Arnold Rothschild

Bertram A. Frank, assistant secretary and director of general agencies, becomes vice-president and director of general agencies. Except for three years army service he has been with the company since joining it 30 years ago. In 1952 he was given responsibility for developing a general agency organization. He is a CLU.

Arnold Rothschild, who joined Sun in Baltimore and went to the home of-



Bertram A. Frank



Louis J. Adler

office in 1948 to undertake a project of studying training methods for combination agents, becomes a secretary and director of training. He has been assistant secretary and director of training. He is a CLU.

Louis J. Adler becomes assistant vice-president and assistant agency director in the combination division. He joined the company in 1937 at Baltimore and has been at the home office since 1946. He has been assistant director of agencies since 1950.

### Republic National Life



Donald C. Clark

Donald C. Clark has been appointed district manager at Austin for Republic National Life. Prior to joining Republic National Life in 1955 as regional superintendent of agencies, Mr. Clark has been active in personal production and agency supervision for several years. In 1957 he was named superintendent of general agencies, a position he held when he accepted the Austin post.

### National Fidelity Life

National Fidelity Life has appointed Frank L. Messmer as agency secretary and director of training. He joined the company in September.

### Prudential

James R. Chapman, director of agencies of the north central region, home office at Minneapolis, has been appointed executive director of agencies at the home office to succeed William Ingram, recently assigned to the southwestern regional home office at Houston. Mr. Chapman joined Prudential at Jefferson City, Mo.

## General American Life in U.S. News & World Report

This ad in U. S. News and World Report is part of a year-long program working for General American Life field associates. It's telling 3,500,000 readers of "America's class news magazines" about Masterplan . . . and other appealing plans offered by the Company. General American advertisements also appear in Time, Newsweek, Fortune, Business Week, and Nation's Business.

National advertising, carefully integrated with the associate's day-to-day selling, is an advantage field associates have under General American Life's Lifetime Security Franchise.

For complete details on LSF write:

Frank Vesser,  
Vice-President  
General American Life  
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St. Louis, Mo.



depends on how high up the ladder you are

whether your needs can best be covered by

# Masterplan

If you've already reached the top, chances are MASTERPLAN is not for you. It's insurance especially planned for men on their way up with promising careers whose responsibilities—and needs—will change with the years.

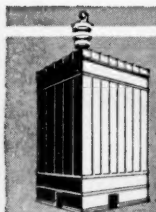
MASTERPLAN is uniquely flexible—combines savings and protection. Today you may need it only for family protection. Later you may want it to educate your children. Or you may use it for emergency or opportunity funds. Or later for retirement. MASTERPLAN lets you postpone your decision . . . becomes a source of protection, savings, and profitable investment all in one.

Your General American Life representative has the details on how MASTERPLAN may become your complete life insurance program . . . or the complement of present coverage.

GENERAL AMERICAN LIFE INSURANCE COMPANY



ST. LOUIS, MISSOURI





1942. He has been manager at Burlington, Ia., training consultant at the home office and has headed the district agency at St. Paul.

### Central Assurance



Allen R. Lewis

Allen R. Lewis has been appointed director of agencies for Central Assurance. He was formerly with Columbus Mutual Life as assistant superintendent of agencies.

### Union Central Life

Leon S. McCrosky, supervisor of group sales for Union Central Life, has been promoted to assistant vice-president.

Mr. McCrosky entered the business in 1938, and was with Mutual Benefit Life, Sun Life and State Mutual Life of Worcester, before joining Union Central in 1951. He has specialized in group.

### United Life & Accident

Allan R. Hanna has been appointed agency secretary and Ernest J. Tsouros becomes overseas agency secretary. Mr. Hanna joined the tabulating department in 1955, and Mr. Tsouros has been agency department secretary since July.

### All American L.&C.

Gilbert L. Bechtold has been promoted to vice-president and comptrol-

ler and William R. Ballard to assistant secretary. Mr. Bechtold has been with All American L.&C. since it was formed in 1951, and he has been serving as assistant secretary. Previously he had been with Peoria Life, Alliance Life, and United of Chicago. Mr. Ballard has been with the company since 1955, and he has been in the accounting department since 1957.

### Old Line Life

R. J. Kohruss, formerly assistant vice-president and director of A & S sales for Security Life & Accident of Denver, has been appointed director of A & S sales for Old Line Life. At one time, Mr. Kohruss was executive eastern supervisor of A & S for Continental Casualty.



R. J. Kohruss

### State Mutual Life

John G. Ledin, former assistant director of the management training center at Pittsburgh, becomes assistant director, field organization development, in the agency division. He was with Phoenix Mutual before joining State Mutual's agency division as a training assistant in 1954.

Dr. William R. Minnich, Atlanta physician, has been appointed medical director and elected to the board of BANKERS FIDELITY LIFE.

GULF LIFE has appointed W. R. Christmas, former actuary, as vice-

president and actuary and has also named William J. Hamrick, senior vice-president, to the executive committee.

William F. Leal, agency supervisor at the home office, has been appointed assistant superintendent of agencies of CANADA LIFE.

### Commies Would Eliminate Insurance, Hoosiers Told

Insurance is near the top of the list of industries and occupations that Communists list for elimination, Robert Jackson, president Pilgrim Life of Indianapolis, told members of Indianapolis A&S Assn. at the November meeting.

Mr. Jackson, who last year made a tour of the Iron Curtain countries, asserted that in a Communist state there is no need for insurance, and, in fact, it is considered detrimental.

In West Germany, Mr. Jackson reported, insurance has operated on approximately the same basis as in the United States since 1948. In Germany, France, and some other non-Communist European countries, per-

sons making under approximately \$100 a month have 7% withheld from their pay for health care in specified clinics and hospitals. In France the limit is \$150 a month. In Sweden and England, however, medicine is completely socialized and, therefore, there is very little A&S insurance.

### FTC Dismisses False Ad Charges

The Federal Trade Commission has dismissed for lack of jurisdiction two more of its 41 complaints originally issued against insurance companies which charged false advertising of A&S policies. FTC action on the latest two cases, Beneficial Standard Life and Girardian of Dallas, came about because of the recent Supreme Court decision which ruled that the commission lacks authority to police advertising of insurers already subject to state regulation.

United Life & Accident recorded paid-for business of \$66,702,160 during the first nine months of 1958 for a 28% increase over the same period last year.

NO. 12 IN A SERIES



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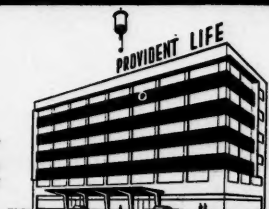
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## Combined Tax Approach Is Noted As Top Contender

(CONTINUED FROM PAGE 1)

ple, as President Henry S. Beers of Aetna Life pointed out at the hearings, has been embraced in the federal laws on taxation of life insurance companies since 1921. It is only the method of computing the policy and other contract liability deduction which is new.

The combined approach based on the Menge formula was supported by some prominent companies at the

hearings but none of the company associations. Life Insurance Assn. of America took no position, and neither did the joint tax committee of LIA, American Life Convention and Life Insurers Conference. ALC and LIC stuck by the straight investment income approach, as did National Assn. of Life Companies, the relatively new organization composed mainly of smaller companies.

Some well-informed industry observers have expressed the hope that all segments of the business will support the combined approach as a practical solution that appears to be reasonably equitable to all types, sizes, ages, and other categories of companies. Estimates have been developed that indicate at least as respects stock companies the impact would be proportionately less on smaller com-

panies than large ones, as compared with the present Mills stop-gap basis and the 1942 basis.

Two main advantages are seen, from an industry point of view, if the companies can find the Menge-based combined approach palatable. First, it would avoid the increasing hazard that finding fault with various approaches, the industry will give Congress the impression that it is just maneuvering to escape its just share of taxes. This could result in Congress losing patience and "throwing the book" at the companies. Second, it would head off a public relations problem of considerable proportions that arises from comparisons of the size of the business with the amount of income tax paid.

### Drew Pearson At It Again

Both of the above hazards are reflected in a recent column by Drew Pearson who earlier tried to stop the re-enactment of the Mills law even on a one-year stop-gap basis on the ground that the companies were getting a tax "break." Of course, this was based on the technically correct premise that the 1942 law is in effect barring other legislation, though not even the Treasury wants the 1942 law continued.

In his latest writings, Pearson charges that profits on premiums are not taxed at all and that the life companies' tax shelter is such that it has become a favorite refuge of oil millionaires. However, Pearson did append a note to his piece to the effect that mutual life companies deserve a special break on the ground that their profits go back to their policyholders.

### How Companies Would Be Hit

For the life company representatives conference with the Treasury Oct. 28 and their own meeting Oct. 29, some quick approximations were worked up to show how the Menge-based combination plan would affect various typical stock and mutual companies. It was assumed that retirement annuity reserves would be given the tax abatement that has been requested to make them competitive with trustee plans.

For a group of 26 stock companies, including the largest, the combined plan would levy a tax of \$66,298,000 on 1958 business, as against \$50,188,000 if the present stop-gap formula were continued and \$68,156,000 if the 1942 law were permitted to become effective.

For a group of 16 mutual companies, including the largest, the tax would be \$170,525,000 on the combined basis, as against \$157,423,000 on the stop-gap plan and \$230,607,000 on the 1942 basis.

Here is how some of the individual stock companies would be taxed on the combined, stop-gap, and 1942 bases respectively: Aetna Life, \$14,447,000; \$10,528,000; \$13,761,000. Connecticut General, \$5,565,000; \$5,296,000; \$7,465,000. Continental Assurance, \$878,000; \$1,622,000; \$2,215,000. Franklin Life, \$2,504,000; \$1,001,000; \$1,513,000.

## LEADERSHIP AT OCCIDENTAL

Left to right:

R. Peyton Woodson, III, treasurer  
W. H. Trentman, president  
N. P. Kostopoulos, field manager of Norfolk, Va.



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000. Jefferson Standard, \$2,992,000; \$1,740,000; \$2,613,000. Life & Casualty, \$91,000; \$632,000; \$953,000. Life of Virginia, \$1,192,000; \$1,173,000; \$1,695,000. Lincoln National Life, \$8,616,000; \$3,714,000; \$5,333,000. Travelers, \$10,562,000; \$13,377,000; \$17,106,000. Volunteer State, \$74,000; \$179,000; \$282,000.

#### Levy on Mutual Insurers

Corresponding figures on some of the 16 mutual insurers in the tabulation include these: Acacia Mutual, \$464,000; \$967,000; \$1,462,000. Equitable Society, \$22,440,000; \$24,840,000; \$35,958,000. Metropolitan, \$52,110,000; \$44,743,000; \$64,930,000. Northwestern Mutual, \$12,965,000; \$10,056,000; \$15,000,000. Prudential, \$39,368,000; \$40,466,000; \$59,439,000. Union Central, \$1,094,000; \$1,822,000; \$2,737,000.

How the Menge-based combined approach would work can perhaps best be understood by a non-technician from the hypothetical examples used by Mr. Beers in his testimony at the subcommittee hearing last month. Said Mr. Beers:

"Consider two companies alike in all respects except that one carries actuarial reserves based on a 2½% interest assumption; the other carries actuarial reserves based on a 2% interest assumption. Suppose that the 3% assumption results in aggregate reserves of \$95 million while the 2½% assumption results in aggregate reserves of \$100 million. For the sake of this example, we may assume if we wish, although it is not necessary, that the two companies have exactly the same kind of life insurance policies on their books and exactly the same amounts of each kind of policy at each age; also that each company has the same kinds of investments as the other and exactly the same amount of each kind.

#### Use 'Rule Of Thumb'

"You will notice that in setting up the figures in this example I have supposed the aggregate reserves to differ by 5% (\$95 million in one case and \$100 million in the other) because the interest assumption was 3% in the first case and 2½% in the other. I did this on the basis of a recognized approximation, or rule of thumb, that actuaries have observed to be nearly exact in many different cases: On the average the dollar aggregate of reserves will be changed 1% for each one-tenth of a percent change in the interest assumption. It is suggested that the income tax law use this rule of thumb because it will do reasonable justice, and rigorously accurate Mathematical computation would not change the tax enough to justify the time and expense of a re-computation.

"Suppose then that each of my hypothetical cases has \$120 million of assets invested in mortgages and corporate bonds yielding \$3.9 million of interest per year. A quick division shows that the rate of interest yield is 3¼%. Our question is how much interest we should consider that each company has earned on its actuarial reserves.

"Remember that our two companies are alike in every respect except for a difference in actuarial judgment. One company was more conservative in fixing its reserve standard at 2½% compared with 3% while the other company set up \$5 million less reserves and consequently holds \$5 million more surplus. The new approach solves this problem of equivalent tax treatment by requiring that the re-

serves be recalculated by the rule of thumb to the reserve level resulting from the use of each company's actual rate of interest earning, namely, in our example, 3¼%. This makes each company's recomputed reserve come out at about \$92.5 million, and in each case the interest earned on reserves would be considered to be 3¼% of this \$92.5 million, and comes to very nearly \$3 million. The taxable interest would therefore be \$900,000."

#### No Royal Road To Selling.

#### Austin Agents Are Told

There is no royal road to selling, Charles Stewart, Lincoln Liberty Life, McAllen, Tex., told Austin Life Underwriters Assn. at the November meeting. He said there are no super salesmen and no gimmick-selling.

Mr. Stewart, who has been named Texas "rookie of the year," attributed his success to seven factors: A good, competitive company in which he believes; a philosophy of life insurance; enthusiasm; hard work; a potential market; record-keeping; and constant prospecting. He rated enthusiasm and hard work above all other factors.

#### Publish New Field Book For Kansas

A new Underwriters Hand book of Kansas has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Kansas handbook may be obtained from the National Underwriter Co. at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

#### Security Mutual Of New York To Distribute Christmas Bonuses

The directors of Security Mutual of New York have authorized the distribution of Christmas bonuses to home office employees. Richard E. Pille, president, will distribute checks at the beginning of the holiday season.

United Life & Accident held an open house to mark the dedication of the addition to the home office building.

#### Harrison Explains Order On Surplus Analysis

AUSTIN—In an explanatory statement, Commissioner Harrison of Texas detailed reasons for the order sent to all licensed insurance companies and fraternal organizations that called on them to submit an analysis of their year-end surplus accounts from the time of the company's formation through Dec. 31, 1957.

While the official deadline for the data is the end of this year, Mr. Harrison pointed out that extensions of time would be granted on an individual request basis. Some replies have already been received.

Mr. Harrison said that the information is needed by the examination division to review dividend practices and will be of value in considering the permissible amount of surplus to be accumulated by certain mutual insurers. It also is "to serve as a starting point for the department to establish records reflecting the operating history and trends of companies licensed in Texas."

Compilation of the requested data from departmental files of annual statements would be a time-consuming process, he added.

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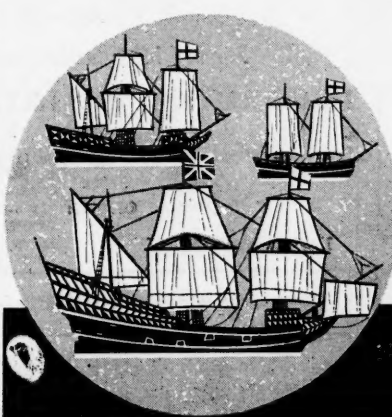
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## Seek Data For Minimum Deposit Plan Parley

(CONTINUED FROM PAGE 1)

ther in (a) your company or (b) other companies?

"4. What proportion of current issues are on the high cash value plans? State percentages by policies and amounts.

"5. Have your regular underwriting rules been modified to insure that voluntary termination rates will be consistent with those on other plans and overinsurance be avoided?

"6. In calculating your premium rates or asset shares for high cash value plans, what assumptions were made as to persistency?

### Must List Terminations

"7. Attach a schedule indicating paid-for sales, voluntary terminations and voluntary termination rates by policy years for the number of years that the high cash value plans have been available for (a) each high cash value plan; (b) all other ordinary plans. How does actual termination experience compare with the assumptions made when the plan was first introduced, as given in (6)? Data should be based on (i) amount of insurance; (ii) policies issued.

"8. What proportion of high cash value policies have been written with an initial loan or with collateral assignments to financial institutions?

What is the corresponding percentage for other plans? State percentages by policies and amounts for (a) 1958; (b) 1957. If the data are not readily available, a sampling procedure may be used.

### Purchases By Agents

"9. What proportion of issues on high cash value plans have been issued to agents under contract with your company? What are the corresponding proportions for other plans? State percentages by policies and amounts for (a) 1958; (b) 1957. Have you imposed any restrictions on issuing these plans to agents? Sampling procedures or other reliable estimates may be used if necessary.

"10. Please attach your commission schedule for each high cash value plan, and for each non-high cash value plan otherwise substantially equivalent.

"11. Do you allow a so-called term dividend option? If so, state basis of current year's renewable term rates used or illustrated.

"12. Are there any policies where the sum of first-year commission, agency expense reimbursement allowance and first-year cash values exceed the first year's premium? If so, state the amounts of premiums and

corresponding amounts of commissions, expense allowances, and first-year cash values on these policies for (a) 1958; (b) 1957. Sampling procedures or other reliable estimates may be used if necessary.

"13. What steps, if any, have you taken on the high cash value plans to insure that they would be self-supporting on the basis of reasonable assumptions as to interest, mortality and expense, and would not be prejudicial to the interests of policyholders purchasing other types of plans? Have you experienced any strain on surplus from high cash value plans? If answer is 'yes,' please indicate amount for issues of (a) 1958; (b) 1957.

"14. Were any changes made with respect to commission payments, expense allowances or cash or loan practices for high cash value policies within the past five years? If so, state the nature of the changes and the reasons why they were made."

### Health Council Publishes New Claim Form Guide For Physicians

Health Insurance Council has published a guide for physicians on the use of the new simplified claim forms for A&S policies. The manual, "Simplified Claim Forms for Accident and Health Insurance—A Report to the Physician," describes the principles of the council's program to reduce paper work for doctors and at the same time provide insurers with the medical information they need to process and pay claims.

The claim forms were developed by the council's uniform forms committee in cooperation with the American Medical Assn.

## Kroll Head Of New Life Co. In Ohio

CINCINNATI — North American Equitable Life Assurance, headed by Mark H. Kroll, who has been prominent in other insurance activities here, has been licensed by the Ohio department and is offering to the public 950,000 shares of \$2 par value at \$10 per share. Authorized capital is one million shares and 50,000 shares are now outstanding.

Mr. Kroll, who is president of the new company, has been active in the insurance business since 1945. He heads three other companies—Insurance Corp. of America, Michigan Surety and Pan American Casualty and has also had control of Marquette Casualty and Highway Ins. Co., which he has disposed of. He is also president of Wilmark agency and Agency Corp. of America here. Nelson Lancione, Columbus attorney, is secretary and treasurer of the new company.

Home office of North American Equitable will be with the other Kroll companies at 2330 Victory Parkway here. The company expects to start writing business in Ohio soon and eventually to enter other states.

## Century Life Passes \$100 Million Mark

Century Life of Fort Worth has passed the \$100 million mark of life insurance in force. Actual total as of Oct. 31 was \$100,226,377.

The company reached the mark just 19 months after W. J. Laidlaw Jr. became president and the feat resulted from a 31% increase in insurance in force since his appointment.

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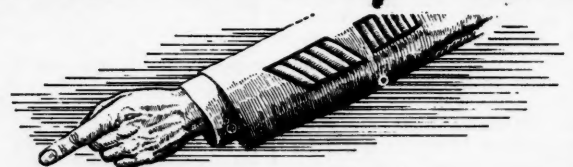
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## COLISEUM TOO SMALL

**"Garden" To House Equitable Society Centennial Fete**

NEW YORK—Faced with overflow attendance, Equitable Society has moved its centennial celebration July 26-29, 1959, from the New York Coliseum to Madison Square Garden.

Second Vice-President Charles R. Corcoran, general coordinator for the anniversary observance, said the Coliseum can seat only 3,599 with an unobstructed view of the stage, while the Garden can seat the expected crowds of up to 10,000 Equitable agents and employees comfortably. He said the Equitable conference will be the largest life insurance meeting held in New York City.

The expected attendance has swelled since July, 1956, the date of the signing of the Coliseum contract, which has now been terminated by mutual agreement. Lease negotiations with the Garden are in progress. Besides being better able to handle the crowds expected, the Garden has the advantage of being closer to the home office at Seventh avenue and 32nd street.

**N. J. License Hearing Set**

Commissioner Howell of New Jersey will hold a public hearing Dec. 8 on the regulation governing the program of studies to be required of a first time applicant for an agent's, broker's or solicitor's license.

The regulation empowers the commissioner to require completion of a 96 hour study program in an accredited school by first-time general lines, life and A&S applicants before they are

admitted to examination. Such applicants, interested only in automobile insurance, are required to complete a 30 hour course, and those limited to bail bonds must spend 15 hours of study before qualifying for examinations. The regulation was urged by New Jersey Assn. of Insurance Agents.

**MFA Life Of Mo. Is Incorporated**

MFA Life of Columbia, Mo., has been incorporated with 10,000 shares of \$10 par value stock. Incorporators were F. V. Heinkel, L. O. Wallis, and 34 others.

The company will be affiliated with MFA Mutual, a fire and casualty insurer, and A. D. Sappington, general counsel of MFA Mutual, is handling the incorporation.



Ralph Stewart, Ohio State Life, Muncie, right, president of Indiana Assn. of Life Underwriters, presents G. Weldon Johnson, executive secretary of the association, in his additional role of legal and legislative counsel, to the midyear meeting at Indianapolis. (Story on page 9.)

## FOR ASSOCIATIONS

**N. Y. State Agents Provide Actuarial Advice On Group**

ALBANY—New York State Assn. of Life Underwriters has available a report prepared for it by an actuarial consultant for the use of professional associations considering group coverage where no employer-employee relationship exists. The report gives the pros and cons of group life and group annuity plans.

Last winter the state association was asked by a countrywide professional association for an opinion on the practical aspects of group life and group annuities. The state association decided to spend the money needed to get an objective opinion from the broadest point of view. It retained Actuarial & Pension Associates of Chicago. The report is signed by Loren G. Logan, a fellow of Society of Actuaries.

Commenting on the report at the recent delegate meeting of the state

association, Joseph N. Desmon, Continental Assurance, Buffalo, immediate past president, said, "There is no magic in these things. The individual policy approach is the best solution to some, but it depends upon the individual circumstances. The actuarial report can be of tremendous value and educational help in keeping purchasers of life insurance on the right track."

**Equitable Society To Distribute \$85 Million In 1959 Dividends**

Equitable Society has approved distribution of some \$85 million in dividends during 1959 to holders of ordinary policies and annuity contracts. This is an increase of \$4,400,000 over the amount payable in 1958.

The 1959 dividend scale contains such liberalizations as payment of termination dividends, payment of dividends under family income riders and participating reduced paid-up insurance and annuity contracts arising from default in the payment of premiums. The dividend scale under the older series of family income benefits and under annual premium deferred annuity contracts has also been liberalized.

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No matter what name you give to this exciting new coverage, we at Bankers Life Company are proud to have introduced it. We are equally proud of comments in the insurance trade press like: "We believe Bankers Life has started one of the most important merchandising trends in the life insurance business . . ."

We appreciate also comments in publications outside our industry like: ". . . it takes courage to initiate an insurance venture of this kind" in an advertising publication, or a major metropolitan newspaper commenting in an editorial on this new insurance idea: "Bankers Life has long been known as a progressive, pattern-setting firm in the insurance business."

Yes, alertness to changing times and needs has marked Bankers Life as "The Company That Fits The Need" as we have pioneered other coverages like the "Wife Protection" rider . . . Group Permanent Life . . . Widow's Pensions . . . and Deductible H&S Plans. Do you wonder that Bankers-lifemen are proud of the Company they represent?

**We give you the tools!**

. . . up-to-date, constantly improving, field-tested sales tools! For example, our new SMALL GROUP LIFE INSURANCE kit includes: sales letter; sales talk; employer, employee, and general sales folders; all necessary forms and instructions—all in one, neat file-folder package ready to complete the sale! Find out more about the advantages UNITED LIFE agents enjoy . . . write now!

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## Editorial Comment

### The Convention Examination Examined

This is not to suggest another subject for Sen. O'Mahoney's inquiry into how state regulation is living up to its responsibilities, but state commissioners might take a close look at the present system of examining insurance companies and rating bureaus. Criticism of the convention examination grows louder and more frequent.

The most consistent charge leveled at the convention method of examination is that costs are charged to the company being examined. This may be the simplest way for departments to get the money to pay for the examination. But it can be quite inequitable, as in the case of young companies or insurers in financial difficulties. In addition, it tends to encourage inefficiency and downright abuses. The latter include, according to numerous reports, substantially excessive time, personnel that is incompetent for the job—for political or other reasons, and, most troublesome and expensive of all, extensive interference with the work of all company personnel, from clerks to presidents.

But the worst feature of the present system is that when an insurer gets into difficulties the examiners move in at once, which immediately imposes substantial costs on an insurer that is impaired or shaky financially. This is the very time when the insurer can least afford additional expense of any kind.

Also, where the insurer is shaky, the tendency is for more examiners to move in, and for them to spend more time on their examination, so that the company is hit hardest that is in the poorest shape to stand it.

Consequently, the examination function, which has as its purpose the determination and, impliedly, the preservation of assets for the benefit of members of the public, acts to weaken the insurer when it most needs all the strength it has.

To eliminate this serious weakness, this positively harmful effect of the convention examination, it has been suggested that the examination costs be paid by the insurance departments out of an increase in the premium tax of one-fourth or one-half of 1%. This would place the cost equitably on the business as it is written by insurers, all of which are examined. A direct increase in the premium seems highly appropriate since the purpose of the examination is to protect the public against the consequences of an insurer's insolvency. The method would provide a far more equitable means of amortizing the examination cost than the present one, which is about as anachronistic as quartering soldiers on the populace to defray military costs.

For the young company also, examination costs can be a shock item in an examination year.

The extremely slow pace of examiners is an almost universal complaint of insurers. This pace can hardly be

excused, though it can be better understood, when it involves, say, a company domiciled in a southern state. In the case of one liability insurer that was in difficulties, examiners took advantage of the climate, and remained on the premises from September to May. They then found that it would require a return in September to finish up the job (The insurer was finished, too.)

If the insurance departments paid the examiners, perhaps there might be an improvement in the functioning of the system. It is doubtful that there will be much improvement in this area until the departments themselves pay for the examinations and the expense is judged against the administrative standards of the departments.

Though senior examiners get \$180 a week plus \$87 a week subsistence, (juniors get \$150 plus \$87), which is more than some commissioners are paid, the insurance companies seem to be less concerned about the amount paid examiners than they are at the incompetence of some of them, and the excessive amount of time they spend on the job, whether competent or not.

Insurer examination requires special training—outside accountancy talent is no good because such accountants lack the necessary special knowledge. But the criticism is frequently voiced that insurer examiners are not very good at what they are supposed to be good at. This excludes those political examiners, young, old and in between, who are not accountants at all, let alone examiners.

One examiner spent six months in a company where six weeks would have been ample. This was because he had never examined a company of that kind before and he was being educated at company expense. He also caused more difficulties for the personnel of the insurer than all the other examiners put together. In fact, the money the company spent to pay and board him for six months—\$6,955—was infinitesimal compared to the cost of the staff in time and harassment.

One general tendency of examiners, a review of the examinations of several companies indicates, is to suggest the establishment of new procedures to produce more information for the benefit of examiners and state regulation—though insurer executives earnestly contend that few if any of the changes are essential to the insurer operation, to solvency, or even to a clear understanding by examiners of what the insurer is doing. But all of them would require more personnel, more processing, and a great deal more expense, an added burden on the premium dollar. In one case the recommendations of examiners would have doubled the clerical force of the insurer if they had been carried out.

Critics contend that the cost of the time taken by their personnel, executive and clerical, to answer questions

and respond to requests of examiners (much of which insurers stoutly argue is highly unnecessary), plus the time taken to dissuade examiners from insisting on expensive modifications and extensions of existing insurer procedures, plus the loss of time that cannot be devoted to more creative business pursuits add up to an extra cost that is incalculable.—Kenneth O. Force, executive editor THE NATIONAL UNDERWRITER, Fire-Casualty Edition.

## Personals

**Orville F. Grahame**, vice-president and general counsel of Massachusetts Protective and Paul Revere Life, has been named to the Worcester, Mass., board of appeals for a two-year term.

**Margaret Divver**, 2nd vice-president in charge of women's activities of John Hancock, has been named a member of a Boston safety committee by Deputy Mayor William A. Reilly. The committee's assignment is to determine future traffic accident prevention policies and enforcement programs for the Boston area.

The model who posed for the cover picture of Glamour magazine for November is the daughter of **Rheinhard A. Hohaus**, vice-president and chief actuary of Metropolitan Life. Her professional name is **Gretchen Harris**. The same issue carried a four-page article featuring her comments and the pictures she took on a trip to Russia last summer. Incidentally, Mr. Hohaus was recently identified in a Russian magazine article on social security as a "bourgeois theoretician."

## Deaths

**BENJAMIN H. ODOM**, 66, consulting manager of Phoenix Mutual at Chattanooga, died at Erlanger hospital.

**GUSTAV LINDQUIST**, 77, insurance commissioner of Minnesota in the early 1900s, died at Miami.

### New Massachusetts Handbook Published

A new **Underwriters Handbook of Massachusetts** has just been published by the **National Underwriter Co.** It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Massachusetts handbook may be obtained from **The National Underwriter Co.**, at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

### Lincoln Natl. Declares Dividend

**Lincoln National Life** has declared a quarterly dividend of 50 cents per share payable on Feb. 1 to stockholders of record Jan. 10. It is expected that the board will declare the same dividend for each of the remaining quarters of 1959 without declaring an extra dividend in the latter part of the year as has been the practice heretofore, **Walter O. Menge**, president, said. This would make a total of \$2 per share payable in 1959 as compared to \$1.95 paid in 1958.

## The NATIONAL UNDERWRITER



The National  
Weekly Newspaper of  
Life Insurance

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420 E. Fourth St., Cincinnati 2, Ohio.  
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### SALES OFFICES

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BOSTON 10, MASS.—30 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and Dana L. Davis, Northern New England Manager.

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CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Wood, Sales Director; George C. Roeding, Associate Manager; Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St. Lincoln Bldg., Rm. 208, CH 1-3396. Paul Bleis, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred I. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5904. D. J. Stevenson, Resident Manager.

DETROIT 24, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gensel, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rust St., Tel. Clifford 3-2776. William J. Gensel, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 3-4011. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St. Room 1401, Tel. Beekman 3-3958. J. F. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St. Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St. Tel. Embarcadero 3-3054. Robert L. McMahon, Pacific Coast Manager.

### CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.



## Five Vice-Presidents Named By Security Mutual Of New York

William H. Harrison, Robert G. Hill, Richard H. Parish and George R. Steinbach have been appointed vice-presidents of Security Mutual of New York and Louis E. Zell Jr. has been named vice-president and treasurer. Also named to new posts were Frank A. Johnson as a director, J. Evans Whiting as director of agencies, Charles J. Doerner as auditor and Edward M. Merrill Jr. to manager of agency financing.

Mr. Harrison, who has been 2nd vice-president in charge of life underwriting since 1957, began his insurance career with Aetna Life in 1931 and in 1934 joined Guardian Life. Since joining Security Mutual in 1944, he has been underwriting executive and head of the new business department.

Mr. Hill, 2nd vice-president in charge of A&S insurance since 1957, entered the life field with Massachusetts Protective and Paul Revere Life in 1936 as a claims examiner. In 1946 he joined Loyal Protective as claims assistant to the vice-president in charge of claims, serving in this capacity until 1953 when he became manager of the A&S department of State Mutual Life.

### Comptroller In 1952

Mr. Parish, who has been 2nd vice-president and comptroller, began his career in the life field with Fidelity Mutual in 1929 and joined Security Mutual as assistant comptroller in 1940. He became comptroller in 1952.

Mr. Steinbach began his career in

the business with Metropolitan Life at the home office and in 1935 became an agent in the group department, later transferring to Chicago in the same capacity. He then was named assistant to the sales vice-president at the home office, and in 1931 was appointed director of group sales and an officer of Massachusetts Mutual. He became 2nd vice-president in charge of group insurance of Security Mutual early this year.

### Security Analyst

Mr. Zell entered the life field as security analyst and manager of financial analysis of Aid Association of Lutherans and became treasurer of

Security Mutual in 1951. He was later named 2nd vice-president and treasurer.

Mr. Johnson, who is president of the Endicott-Johnson Corp., is also a director of the First National Bank of Binghamton, N. Y.

Mr. Whiting, who has been superintendent of agencies, joined Security Mutual in October, 1957. He entered the life field in 1948 with Mutual Trust Life at Somerville, N. J., and in January, 1957, was appointed regional vice-president, sales, for the eastern U. S. area.

Mr. Doerner, former assistant auditor, joined Security Mutual in 1951 as a junior auditor, and before that was with Retail Credit Co.

Mr. Merrill, who has been assigned to the executive department for special projects, joined the agency department and later was named publicity director and purchasing agent.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, December 2, 1958

	Bid	Asked
Aetna Life	230	235
Beneficial Standard	17 1/2	18 1/2
Business Men's Assurance	92	96
Cal.-Western States	112	116
Columbian National	118	122
Commonwealth Life	27 1/2	28 1/2
Connecticut General	332	336
Continental Assurance	166	169
Franklin Life	86 1/2	87 1/2
Gulf Life	26	27
Jefferson Standard	95 1/2	97
Kansas City Life	1570	1610
Liberty National Life	50 1/2	52
Life & Casualty	22	23
Life of Virginia	56	57 1/2
Lincoln National Life	238	243
National L. & A.	109	112
North American, Ill.	22	23
Nw. National Life	93	Bid
Ohio State Life	315	340
Old Line Life	56	60
Old Republic Life	24 1/2	26
Republic National Life	54 1/2	56
Travelers	95 1/2	97
United, Ill.	49 1/2	52
U.S. Life	43	45
Wisconsin National Life	65	68

### Correction On Dividend Figure

The correct rate of interest for accumulating dividends for Aid Assn. for Lutherans is 3.5%. An incorrect figure was reported in the issue of Nov. 15.

## Hartford Fire And Columbian National In Stock Exchange

Hartford Fire is offering to exchange seven shares of its stock for 10 of Columbian National Life in connection with the proposed affiliation of the companies. Commissioner Premo of Connecticut approved the exchange plan after a public hearing.

First Boston Corp., as dealer manager, has formed a group of dealers to solicit tenders of Columbian capital stock. The proposal, which will be considered at a special meeting of Hartford stockholders Jan. 6, is conditioned upon their approval of the issuance of up to 175,000 additional shares of stock, and acceptance of the exchange offer by the owners of not less than 80% of Columbian stock.

Authorized capital of Hartford consists of 6 million par \$10 shares, of which 2.5 million are presently outstanding. If the exchange is carried out, Hartford will have a minimum of 2,640,000 shares and a maximum of 2,675,000 outstanding.



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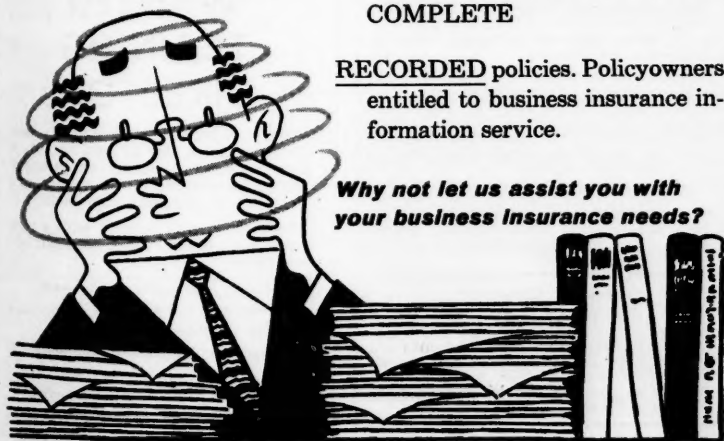
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## N. J. A&H Assn. Sales Rally Has Full Agenda

Several sales experts presented an inspiration-packed program at the one-day sales congress of the New Jersey Assn. of A&H Underwriters in Newark recently. Addresses by Travis T. Wallace of Great American Reserve, president of Health Insurance Assn.; James L. Carrier, assistant agency vice-president Monarch Life, and Sayre MacLeod, vice-president Prudential, plus a four-man sales

panel, rounded out the event which included an afternoon session, a reception in the evening and a dinner meeting. Co-chairmen were William B. Cornett, director A&S Prudential, and George E. Lehman, National A&H.

Mr. Wallace, in his discussion on components and the presentation of the effective sales talk, dealt with the five important parts of the sales talk: Effective approach to secure an interview under favorable conditions; building prestige through confidence in the company or salesman; fixing the problem, because if there is no problem there is no sale; offering the solution in the program offered; a powerful close, preferably based upon implied consent.

### Cites Vital Need For A&S

Mr. Carrier related some case histories in his experience to the vital need for A&S and suggested that producers develop similar examples. "You don't approach the prospect with the thought that you are going to sell him a vacuum cleaner. You approach him with the thought that you hold his destiny in the palm of your hand."

The federal government, Mr. MacLeod warned, continues to increase its distribution of socialized protection with piece-meal benefits that open the way to compulsory health insurance. He cited the federalized hospitalization in Canada and warned that only one-third of the U. S. health bill is covered by health insurance and that less than one-half of the retired people have protection.

Eston V. Whelchel, Provident L.&A., Newark, was moderator of the four-man sales panel consisting of: Harry J. Tiedeck, general agent Loyal Protective, Philadelphia; Glenn O. Mulvey, director A&S sales Mutual of New York; W. Harold Petersen, superintendent of agencies American United Life, and Howard Coron, district manager Mutual Benefit H. & A. and United Benefit, Canton, O.

### Stresses Good Prospecting

Mr. Tiedeck emphasized the necessity of good prospecting. Every successful interview, said Mr. Mulvey, is the solution of small problems rather than the solution of one big problem, and the first of the problems is the approach in selling the interview. Mr. Petersen, who is also managing director of DITC, told the meeting "how to sell by the book," meaning the DITC training course. He has developed a successful sales track with the aid of visual material in the training course.

Mr. Coron, in his discussion of the closing, said about 90% of the people an agent sees hate to say "yes" and hate to say "no." They love to say "maybe." Closing, he explained, is merely a method of making a man say quite quickly either yes or no. A good closer doesn't try to sell everyone. If a sale takes too much effort and too much time, it costs the agent too much money, so a good closer removes himself quickly. "Closing sins are sins of omission, not sins of commission. The problem is not what the salesman does not know. It is, rather, what he does not do."

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## Indict Pioneer Fisher, Son For Embezzlement

DALLAS—Pioneer Fisher, former president of InsurOmedic Life of Dallas, and his son, Luther F. Fisher, former secretary-treasurer, have been indicted on charges of embezzlement by the Dallas county grand jury.

They were indicted for allegedly taking \$53,200 from company funds without consent of the board of directors and of transferring the money to Allsura Corp., an investment firm owned by Pioneer Fisher's family.

The joint indictment, which cited the transaction as having taken place last May 7, was issued following testimony given to the jury by John P. Green, attorney for the company, and R. C. Featherstone, examiner for the Texas department. The cases are to be set for early trial, said District Attorney Henry Wade.

InsurOmedic Life and its fire and casualty affiliate, the defunct Franklin American that is now in permanent receivership, were cited in orders issued last May by Commissioner Harrison. After hearings on alleged

## Detroit A&H, Claim Men Hear Accent On Service

How claims and underwriting help the agent sell was described by E. B. Forsythe, vice-president of Illinois Mutual L.&C., at a joint meeting of Detroit A&H Underwriters Assn. and Detroit Life, A&H Claims Assn.

### Use Layman's Language

The agent should explain the benefits to his prospect in layman's language, and physical ailments should be discussed in simple terms rather than in technical phraseology. Call it gall bladder, not cholecystitis, Mr. Forsythe advised. If a waiver is necessary, it should be sold when the contract is sold, and not on delivery. "If you always tell the truth, you never have to worry at a later date about what you said," he remarked. Deliver every claim check and go over the payment of the claim. If there is any misunderstanding, correct it immediately.

insolvency, InsurOmedic Life completed a reorganization plan and received a renewal certificate in August

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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## NALU 1959 Membership Quota Is 85,000; Area Chairmen Appointed

R. L. McMillon, Business Men's Assurance, Abilene, Tex., and membership chairman of National Assn. of Life Underwriters, has set 85,000 as the membership target for 1959 and has appointed ten area vice-chairmen. Present membership totals more than 77,000, the highest in NALU history.

Area chairmen and their territories are H. G. Horn, Business Men's Assurance, Portland, Ore., for Oregon, Alaska, Idaho, Montana, Washington and Wyoming; Howard Ogden, Northwestern Mutual, Ogden, Utah, for Utah, Arizona, California, Hawaii and Nevada; and L. Mortimer Buckley, New England Life, Dallas, for Texas, Colorado, New Mexico and Oklahoma.

Also, Herbert A. Hedges, Equitable of Iowa, Kansas City, Mo., for Missouri, Iowa, Kansas, Minnesota, North Dakota, South Dakota and Nebraska; Gerhard Krueger, Equitable of Iowa, Chicago, for Illinois, Indiana, Michigan, Ohio and Wisconsin; and Verne Barnes, Kansas City Life, Little Rock, for Arkansas, Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

Also, E. M. Hicklin, Occidental of Raleigh, Burlington, N. C., for North Carolina, South Carolina, Florida, Georgia and Puerto Rico; John C. Donohue, Penn Mutual, Baltimore, for Maryland, Delaware, District of Columbia, Pennsylvania, Virginia and West Virginia; Joseph Desmon, Continental Assurance, Buffalo, for New York, Connecticut and New Jersey; and Mrs. Arlene Weitzel, New York Life, Burlington, Vt., for Vermont, Maine, Massachusetts, New Hampshire and Rhode Island.

## Public Wants Sound Coverage: Palmer

The American public doesn't want to buy life insurance gimmicks or so-called term bargains, or to be high-pressured by agents, H. Bruce Palmer, president Mutual Benefit Life, told members of St. Louis General Agents & Managers Assn. at their November luncheon.

"They do want to be sold sound, permanent insurance adequate to their needs and also sound service from their agents," he said.

### Stresses Proper Servicing

Mr. Palmer stressed the need for properly servicing the business already on the books, saying there is a real opportunity to sell new insurance by providing such service for what he termed "orphan business"—that which has been on the books for years and forgotten. He said there is no question but that companies and agents are not doing as good a job of servicing business on their books as they should.

Mr. Palmer then discussed two basic marketing factors: Pursuit of the buyer and pursuit of the produce. The market and the method to be used in selling is determined by the type of product being sold. Food, clothing and shelter, are the pursuit of produce market, while in life insurance the seller must seek the buyer. While life insurance and other forms of financial security rank fourth in the needs of the American public, the agents still have to seek and sell the prospective buyer in this market. He noted that the automobile industry went through the doldrums because its leaders got the foolish idea that they were in the pursuit of produce category.

## Michigan Blue Cross To Raise Rates 18.5%

LANSING, MICH.—Facing insolvency again after a \$2 million loss during the past year, Michigan Hospital Service (Blue Cross) has been permitted to increase rates enough to augment combined Blue Cross-Blue Shield income by an average of 18.5% according to filings approved by Commissioner Navarre.

### Wide Range Of Variations

The increases for Blue Cross will range from 98 cents to \$1.30 per month for coverage of individuals and from \$1.92 to \$2.67 for full family coverage, it was stated, with a wide range of variations based on the particular coverage of the subscriber.

The increases become effective Jan. 1 and at the same time two new "limited" group hospital care contracts are to be offered. One will provide hospital service on a \$50 deductible basis and the other, a so-called "economy" contract will limit coverage for room and board to \$14 per day

## Purchases \$1 Million Block Of Guaranty Savings Life Stock

Lee R. Ussery, president of Guaranty Savings Life of Alabama, has sold his stock in the company, which consists of approximately one-third of the outstanding shares, to Earnest H. Woods, Birmingham business man, for more than \$1 million. This is said to give Mr. Woods working control.

Mr. Ussery is expected to remain as president for an indefinite period.

Guaranty Savings is licensed in seven southern states and has \$80 million in force.

and a limit of 30 days' hospitalization, compared with 120 days under the standard comprehensive contract.

Increases for Michigan Medical Service (Blue Shield) subscribers range from three cents per month for single subscribers with a basic \$2,500 income ceiling contract to 67 cents per month for those with full family coverage under a basic \$5,000 income ceiling contract.

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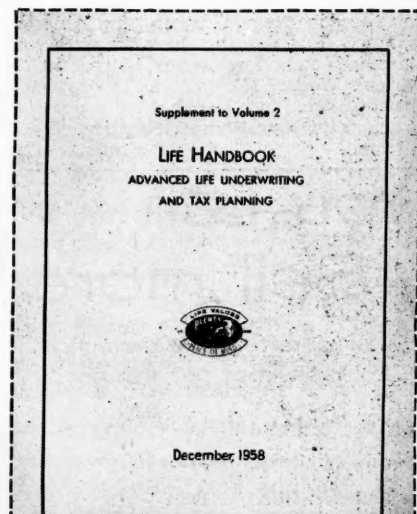
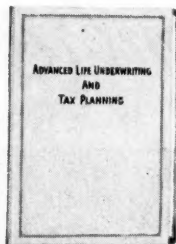
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